



GO-BANAS GERDARK WITH DOLE

Bananas aren't just for breakfast or a midday snack anymore. This summer, they're the stars of the backyard barbeque. And with our Go Bananas After Dark promotion, consumers will see just how delicious this yellow-skinned fruit can be once the sun goes down. From an after-dark themed microsite to tasty recipes like chocolate chip and marshmallow-stuffed grilled bananas to a Facebook page filled with banana banter, we're doing everything to get consumers excited about eating bananas in entirely new ways, in an entirely different day-part. And more ways to eat bananas mean more bananas flying off your shelves.

Join Dole in the nighttime 'nana sensation with special in-store promotional materials. Contact your Dole representative to find out how your store can go bananas after dark.

Dole.com/bananas



Facebook.com/DOLEBananas

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COVER STORY

RESTAURANTS GIVE PRODUCE HIGH PRIORITY STATUS TO FIGHT OBESITY

The foodservice industry is in a prime position to help Americans across the country increase their fresh produce consumption by reimagining the center of the plate and including healthful and creative appetizers, side dishes and desserts.

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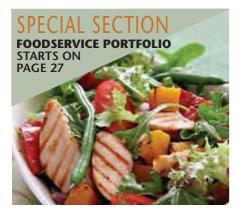
EUROPEAN MARKET

GlobalGAP Summit 2010 In London —

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and Carmine Romeo, field supervisor, at Kings Super Markets, in Parsippany, NJ. **King Kullen: Respecting Their Consumers.** With a focus on truly local products and convenient, grab-and-go sections of the store, King Kullen remains vibrant and relevant nearly 80 years after its start. **P4** **P4
and Carmine Romeo, field supervisor, at Kings Super Markets, in Parsippany, NJ. **King Kullen: Respecting Their Consumers
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on fresh produce and personal service.



Third Technical/Business CONVENTION

"THE SEARCH FOR THE LOST PRODUCTIVITY"
and Ordinary General Assembly 2010

at the Crowne Plaza Hotel, in Guadalajara, Jalisco, Mexico August 25th, 26th & 27th

www.amhpac.org

ADVERTISEMENT

TOP 10 QUESTIONS ABOUT THE AMHPAC CONVENTION

1. What is it?

AHMPAC's third technical/business convention will bring grower/shippers, packers, produce buyers, distributors, marketing & sales reps, quality assurance people, government officials and industry researchers and teachers to discuss the future of the protected horticulture industry. Entitled "The Search for the Lost Productivity" the event will focus on exploring issues of productivity and orderly growth for the protected horticulture (greenhouse) industry.

2. Who is AHMPAC?

AMHPAC is the Mexican protected industry's active association and represents 200 growers. Members are involved in the production, packaging, distribution and marketing of fresh produce grown under greenhouses and other covered structures from 25 of the 32 states in Mexico. The best and most responsible growers are well integrated in the organization and account for 70% of Mexico's horticulture exports to the U.S. and Canada. The association's members represent a combined production area of 11,362 acres with an annual output of 900,000 tons (35% of the total production).

3. Why focus the event on "Productivity"?

During the last two decades, the agricultural sector has experi-

enced a remarkable evolution, where technologies, identified commonly as greenhouses, have been adapted across Mexico. However, as the business evolved and grew the great concept of "productivity" was somehow lost. This convention will make a new analysis of the issue and be the starting point of a crusade for the search for the lost productivity of the protected horticulture. Attendees will analyze together the true concept of productivity and identify the existing opportunities on technological advances and experiences around the world, as well as the threats to be dealt with in the years to come. They will also examine how good planning and strategy could move the industry forward, and study the strengths of the guild and how to minimize weaknesses.

4. What kind of education/information will be available?

During the <u>Business Convention</u>, recognized authorities and experts related to the sector will discuss trade opportunities and threats that affect the market and business development today. The <u>Technical Convention</u> will feature technical experts discussing a variety of subjects with the objective of identifying the opportunities existing in technologies for production, harvest, and post harvest that can generate efficiency and promote the values the market demands today.

SPONSORS























5. Who will be speaking at the event?

- Nancy Tucker Vice President Global Business Development PMA (USA)
- Juan Antonio Aguila Doctor in Human Development -ITESM (MEX)
- Francisco Gutierrez CEO STRATEGA (MEX)
- Mark Munger Vice President of Marketing Andrew & Williamson Fresh Produce (USA)
- Constantinos Kittas Professor (Agricultural Constructions) University of Thessaly (Greece)
- Evangelina Medrano Senior Researcher at the Institute of Agricultural Research and Training, Fisheries and Food and Organic Production – IFAPA (SPA)
- Víctor Manuel Loaiza Mejia Production Manager to production greenhouse - Eurofresh Farms (MEX)
- Jaime Chamberlain Chairman of the Board FPAA (USA)

6. Who will I be meeting/networking with while at the show?

AMHPAC membership's best! 200 growers/shippers/packers will be in attendance as well as a diverse representation of the entire supply chain interested in protected agriculture including marketers, distributors and grower shippers from four countries.

From researchers and academia to government to buyers, you'll meet a wide variety of people with direct impact on the business coming together to discuss crucial issues affecting the future of protected agriculture.

7. Why should I go?

If you are involved in any way with protected horticulture in Mexico, you won't want to miss this opportunity to explore first-hand the future of the industry with a wide variety of experts and industry leaders. The specific information discussed at this event as well as the networking opportunities are unparalleled in any other venue with respect to protected horticulture.

8. Where and when is it?

The event will take place at the Crowne Plaza Hotel in Guadalajara, Mexico, from August 25 to 27, 2010.

9. What is the schedule?

- Wednesday, August 25 <u>Convention for members and associates</u>: AMHPAC's 3rd Ordinary General Assembly that seeks to define the course of the association for 2010/2011.
- Thursday, August 26 Business Convention
- Friday, August 27 <u>Technical Convention</u>

10. How do I register or get more information?

Go on-line to www.amhpac.org or email karina@amhpac.org

The future only makes room for those growers that will be productive "THIS WILL BE THE DECADE FOR BUSINESSMEN"



























PRODUCE

THIS MONTH'S WINNER:



Doug Stoiber Vice President **LMTS** Raleigh, NC

How To Win

To win the Produce Business Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our September issue of Produce Business. The winner must agree to submit a color photo to be published in that issue.

As the vice president of L&M Transportation Services Inc., (LMTS) a third-party logistics company with offices in Florida, California, Arizona, South Carolina and North Carolina, Doug Stoiber is responsible for overseeing the transportation of perishable goods. "We match up shippers and buyers who need truckloads," he explains. "I like to say we find loads for trucks and trucks for loads.'

Stoiber joined the company, which is now in its 33rd year of business and was recently named one of the Top 25 Freight Brokers in the country by Transport Topics, a weekly news magazine for the transportation industry, about six years ago. "Prior to coming to LMTS, I was with a food distribution company," says Stoiber. "In fact, I was one of LMTS' best customers!"

"PRODUCE BUSINESS is a target-rich environment for what we do and identifies people who have needs for transportation," says Stoiber of the magazine, which he has been reading since the early 90s. "I like to look for people I have known in the industry for a long time and see the new players emerging in the markets. It also keeps me current on topics such as PTI initiatives and organics."

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QUESTIONS FOR	THE JULY ISSUE	
1) On what social network d	oes Dole have a page for its new Go Bananas campaign?	
2) What four topics will be co	overed at United's Washington Public Policy Conference?	
3) What is the PMA Foodsers	vice booth number for Hollandia Produce?	
4) Who is the sales manager	e sales manager at River Point Farms?	
	us carried by Vision Import Group	
6) What is the phone number	r for Nathel & Nathel?	
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Company		
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	Zip	
Phone	Fax	
Photocopie	s of this form are acceptable. Please send answers to:	

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WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY ROBERT GUENTHER, SENIOR VICE PRESIDENT OF PUBLIC POLICY • UNITED FRESH PRODUCE ASSOCIATION United Fresh



A Legislative Check-Up

very day, our elected leaders in Washington debate policies and issues that have a potential impact on the produce industry. The following is a look at several key issues on Capitol Hill and the legislative prognosis for each.

IMMIGRATION

Summary: AgJOBS legislation has been introduced in the House (H.R. 2414) and Senate (S. 1038). These bills would reform the H-2A seasonal worker program while providing farmers with a legal workforce and offering a pathway to citizenship for hard-working, lawabiding immigrants already employed or who have been employed on American farms.

Why Businesses Should Care: This is the No. 1 issue for many agriculture employers who are currently looking at significant increases in enforcement disruptions that impact their daily business operations. Without a national fix, states and localities have been taking it upon themselves to issue rules and enforcement requirements, which negatively impact the ability to operate a produce farm or processing facility.

Industry Position: The industry supports a legislative solution that would address a legal and sufficient labor force. Such a solution would include sound agriculture provisions, pragmatic temporary worker programs, realistic approaches to the current undocumented workforce in the United States and reasonable employment verification requirements on the business sector.

Status: Congress and the Obama Administration continue to look at possibly bringing up comprehensive immigration reform before the November 4 congressional elections.

LABOR

Summary: The fresh produce industry is heavily reliant upon a strong and vibrant workforce throughout the supply chain.

Why Businesses Should Care: The Employee Free Choice Act would undermine the balance between employer and union leadership interests by eliminating secret ballot elections for union formation. It would also strip workers of their rights to agree to workplace rules under their initial contract after a bargaining unit is formed.

Industry Position: Congress should not enact EFCA, as it would have a profoundly negative impact on the produce industry.

Status: At this time, no action by Congress has been taken, however many speculate this could come up during a "lame duck" congressional session.

FOOD SAFETY

Summary: The nation's food safety system consists of activities carried out by multiple federal, state and local government agencies that inspect, test, research and monitor the food supply. However, current safety efforts are not engendering the confidence that U.S. consumers demand and require.

Why Businesses Should Care: Legislative and regulatory efforts surrounding food safety will fundamentally change the way produce businesses are operated.

Industry Position: The produce industry strongly encourages members of Congress to consider sound, realistic food safety measures that are commodity-specific, based on the best available science and supported by strong government oversight.

Status: At present, the Food Safety Enhancement Act of 2009 (H.R. 2749) has passed the U.S. House of Representatives and is awaiting Senate action. Senator Richard Durbin's (D-IL) legislation, the FDA Food Safety Modernization Act (S.510), has passed the Senate committee and is awaiting consideration on the Senate floor. Once the Senate completes its expected passage of S. 510, the House and Senate will have to work out the differences between each bill.

CHILD NUTRITION

Summary: Every five years, Congress reauthorizes all child nutrition programs. This legislation funds the National School Lunch and Breakfast programs, the Supplemental Nutrition Program for Women, Infants and Children (WIC), Summer Food Program and the Child and Adult Care Food Program.

Why Businesses Should Care: Improving access to fresh fruits and vegetables in school

lunch and breakfast is an effective way to increase children's consumption. Currently, school breakfasts and lunches contain fewer servings of fruits and vegetables per day than recommended by the Dietary Guidelines. Moreover, an increase in consumption of fresh fruits and vegetables through these programs represents a tangible increase in sales and revenue for the fresh and fresh-cut produce industry.

Industry Position: Ensuring that schools serve more fresh fruits and vegetables in forms that kids want to eat requires additional funding. The Child Nutrition Reauthorization Act is our opportunity to ask Congress to improve the healthfulness of school meals by increasing access to fresh fruits and vegetables.

Status: Senate Ag Committee Chair Blanche Lincoln (D-AR) introduced S.3307, the Healthy Hunger Free Kids Act of 2010. The bill passed out of committee and Senate leadership must now find time on the Senate's calendar to bring it to the floor for a vote. In the House, Education and Labor Committee Chairman George Miller (D-CA) introduced his child nutrition reauthorization bill on June 10. Child Nutrition Programs are set to expire September 30 of this year, so the legislation must be reauthorized as soon as possible.

CLIMATE CHANGE

Summary: Congress is considering legislation to reduce greenhouse gas emissions while EPA is developing regulations to do the same.

Why Businesses Should Care: Current legislative proposals will increase the cost of energy production and could likely reduce supplies. In addition, carbon emitters may face significant new requirements that will impact their business operations.

Industry Position: The industry does not support new carbon taxes along with significant mandates that would infringe on business

Status: The House has passed its version of the bill (H.R. 2454) in a very narrow vote. Currently, the Senate is negotiating between Senators John Kerry (D-MA) and Joe Lieberman (I-CT) about a Senate companion bill that could include provisions that would assess a carbon tax on every gallon of motor fuel sold.

THE FRUITS OF THOUGHT



Higher Taxes Will Sharpen Focus On Produce In Foodservice

he Bush tax cuts expire this year and so on January 1, 2011, there will be a significant tax hike, probably the largest in U.S. history. People who pay tax at the 10 percent rate will pay 15 percent; people who pay tax at the 35 percent rate will pay 39.6 percent. Capital gains and other financial income will be taxed more heavily and a whole host of taxes related to the Health Care Bill starts to phase in.

All of this is very bad news for the foodservice industry. When tax rates are low, people can choose to "outsource" food preparation by going to restaurants or buying take-out. As tax rates rise, it becomes prohibitive to do so and people eat out less frequently. In other words, if dinner costs \$70 dollars and the tax rate is 30 per-

cent, one can buy dinner with \$100 of gross earnings. If the dinner costs \$70, but the tax rate is 50 percent, the dinner requires \$140 of gross earnings.

So the tax increases of January 1, 2011, and those scheduled to roll out with the health care plan over the next several years, are a dagger pointed at the heart of the foodservice industry, and, indeed, all service industries will find themselves struggling as it starts to make more sense for people to mow their own lawns, wash their own cars, clean their own homes, baby-sit their own kids, etc.

All this is certain. A casual glance at countries in Europe that have higher personal income tax rates shows that there is typically a lower utilization of services, including at restaurants. The much-vaunted European lifestyle is

typically admired because it provides more leisure time as expressed in fewer hours worked. Not as often noted is that Europeans require more vacation time so they can do lots of projects themselves that Americans typically outsource.

What is uncertain is precisely how the higher tax rates will filter through the culture. The produce industry may benefit if the pressure to keep costs down leads restaurants to replace high-priced protein with less expensive fruits and vegetables. It is also possible that the opposite may occur and that the culture will shift to see restaurants as more "special occasion" dining — and the typical restaurant will become more, not less expensive. This is the European pattern, where the top restaurants are as good as anything in America and quite expensive. Of course, Europeans also have their share of fast food, but they lack the large roster of medium-priced dinner houses that we have in America — the Outback's and Applebee's, etc.

If higher taxes mean that people will dine out less, then the foodservice sector is likely to be smaller in the future than was projected just a year ago. Which means that meeting the goal that the Produce Marketing Association, the National Restaurant Association and the International Foodservice Distributors Association announced a year ago to double consumption of produce in foodservice over a 10year period will be more difficult.

Obviously, this is all going to mean some tough sledding ahead for both foodservice operators and distributors; but for many producers, the corollary to tough times for foodservice caused by higher tax rates - namely, more sales at retail - will be a cause for celebration.

The relationship between the production sector and foodservice has always been problematic. Part of it is traditional business practices in produce made few companies expert in the kind of product development, recipe development and menu planning skills that are important to increasing sales in this sector. More

> fundamental, though, is that foodservice relegates produce to the status of an ingredient and for most national shippers, this means selling at commodity prices.

> Obviously, the foodservice sector is enormously important. It uses immense volumes and is the heart of the business for many freshcut processors. Most marketers, however, want to find a way to produce superior returns on their investments. This is what makes foodservice and private label both so challenging. The business is there, one hates to leave it on the table, but it typically drags down returns.

> This should be a concern among operators. The sexy side of the business, what gets talked about in newspapers and mentioned on menus, tends to be some small local farm that the chef visited, one with which he can tout a relation-

ship. For white tablecloth restaurants — maybe 1 percent of the total market — this may be meaningful. For most in the foodservice industry, it is just marketing — it is the sizzle, but the national shippers of produce are the steak.

How to sell more fresh produce at foodservice has traditionally been seen as a problem for producers. This makes sense; we usually think the customer is king and catering to the customer is the responsibility of the producer and marketer. But the world is changing.

The National Restaurant Association aligned with PMA to announce the 10-year goal last year because, seeing anti-tobacco legislation and noting America's obesity problem, the board and executives at NRA wanted to position restaurants as part of the solution not part of the problem.

Yet if restaurants want more than a PR announcement - if they sincerely want to tap into the creativity and capacity of fruit and vegetable producers and marketers - they need to focus on making sales to foodservice sufficiently profitable to incentivize a creative focus on helping restaurants better serve the consumer with fresh produce.



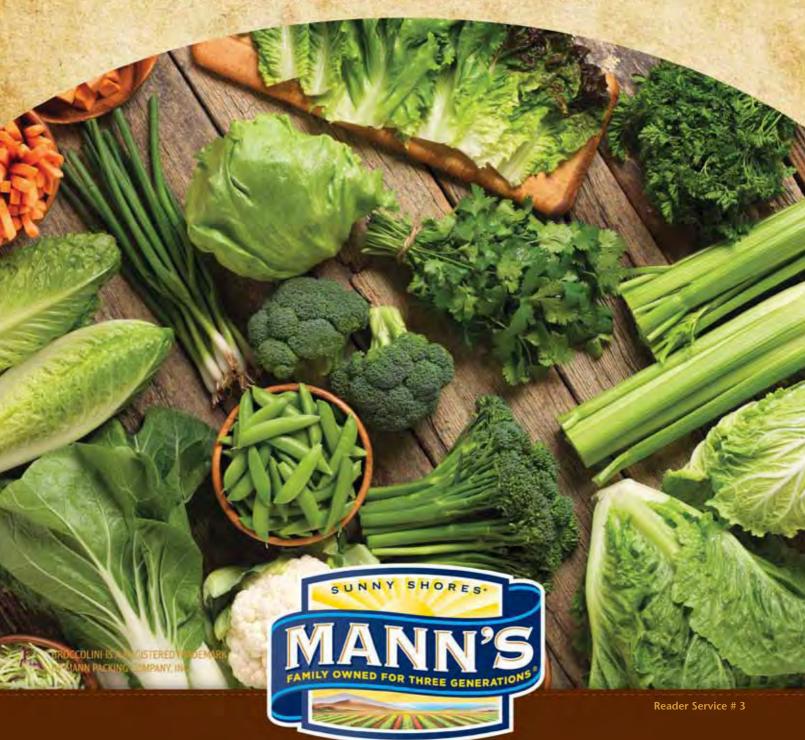




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TRANSITIONS

CALIFORNIA LEAFY GREENS MARKETING AGREEMENT SACRAMENTO, CA

Jamie Strachan, president and CEO of Growers Express LLC, has been elected as the new chairman of the LGMA Advisory Board. He served on the Board as vice chairman for the past two years and treasurer prior to that.



SOUTHERN SPECIALTIES INC. POMPANO BEACH, FL

Susana Troop has assumed the newly created position of sales manager. She has worked for the company for six years, most recently serving as key account manager. Her duties will include overseeing daily sales at the company's sales office in Pompano Beach, FL.



CHILEAN FRESH FRUIT ASSOCIATION SONOMA, CA

Allison Myers has opened a retail and foodservice merchandising service based in Overland Park, KS, after a long and successful career at Vance Publishing Corp. Myers' first two clients are the Chilean Fresh Fruit Association and the Chilean Avocado Importers Association. She will be responsible for merchandising support activities for both groups throughout the Midwest.



MANN PACKING COMPANY INC. SALINAS, CA

Rachael Hackbarth was hired as director of research and development. A produce industry veteran with 15 years of experience in product development at Fresh Express, she will work closely with the marketing, sales and operations departments on all new product and process improvement designed to meet customers' expections.



PRODUCE MARKETING ASSOCIATION **NEWARK. DE**

Marguerite "Margi" Prueitt has joined PMA's senior management team as executive director of PMA Foundation for Industry Talent (FIT). She will serve as the staff lead to the FIT Board of Directors and be responsible for all program activities and fund development.

Anthony Barbieri, formerly the produce and floral director for Acme Markets Inc., has joined the membership development and sales team. He will lead and provide strategic direction to the association's global business development team as vice president of sales and business development. He will also work closely with PMA's volunteer leader boards and councils



THE GIUMARRA COMPANIES LOS ANGELES, CA

Brian Traum was hired as sale representative for Giumarra Wenatchee. He has experience in the food and beverage industry, and most recently worked as the director of sales and marketing for Saint Laurent Estate Winery.



EARTHBOUND FARM SAN JUAN BAUTISTA, CA

Beverly Weathers was hired as Southeast regional sales manager. She has more than 10 years of experience in produce sales as an account executive for Archibald Brokers, where she represented Earthbound Farm produce.



SLAW DRESSING **PACKAGING**

T. Marzetti Co., Columbus, OH, has launched a new plastic bottle design with lighter packaging for its Marzetti Original Slaw Dressing. A Marzetti Slaw Dressing American Fare microsite will also be offering a chance for Marzetti fans to sample new recipes and win prizes.



GRAPE PACKAGING 'CUBIC' AND RINSABLE

Pandol Brothers Inc., Delano, CA, has introduced the "Quick Rinse Cube" a new package for grapes aimed at delivering greater convenience. The clear, plastic container not only allows grapes to be easily viewed from all sides, but it also comes with a convenient grab-and-go handle.



NEW PRODUCTS

Reader Service No. 302

Reader Service No. 301

GIUMARRA VBM UPS **BLUEBERRY GROWER BASE**

Giumarra VBM International Berry, Los Angeles, CA, has announced 5K Farms from Ellisville, MS, has agreed to market its blueberries under the Nature's Partner VitalBerry brand. 5K Farms is owned by the Kittrell Family and grows 65 acres of blueberries.



Reader Service No. 303

EARTHCYCLE PACKAGING CELEBRATES EARTH DAY

Earthcycle Packaging Ltd., Vancouver, British Columbia, Canada, and IL-based retailer, Sunset Foods, in conjunction with Indianapolis Fruit Co., teamed up to supply consumers with fresh produce packaged in the Earthcycle's backyard compostable products in celebration of Earth Day.



ANNOUNCEMENTS

Reader Service No. 304

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, Produce Business, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

ANNOUNCEMENTS

NEW YORK APPLE-MARZETTI **DeCA WINNERS ANNOUNCED**

The New York Apple Association, Fishers, NY, has announced the winners of its annual display contest for apples and Marzetti products in military commissaries. The 2010 contest winners were: Vicky Parsons of





Reader Service No. 305

NEW CHILEAN KIWIFRUIT COMMITTEE FORMED

The Chilean Kiwi industry's growers, packers and exporters have joined forces to form the new Chilean Kiwifruit Committee. The Sonoma, CA-based organization will address production, quality control and post-harvest practices, as well as fielding marketing and promotion programs.



Reader Service No. 306

DUDA MEETS DEMAND FOR HEALTHFUL SNACKS

Duda Farm Fresh Foods, Oviedo, FL, is taking cues from ongoing consumer research to offer healthful and convenient products that appeal to the everchanging lives of today's consumers. Duda Farm Fresh Foods also uses Facebook and Twitter to contact individuals and seek information about the company's products.



Reader Service No. 307

CALIFORNIA SUPERMARKETS AND **OCEAN MIST PARTNER FOR CONTEST**

Save Mart, Lucky and Food Maxx stores in Castroville, CA, are participating in an artichoke display contest hosted by Ocean Mist Farms. Ocean Mist will select winners based on creativity and sales. The display contest challenges produce department teams to build creative displays using an Ocean Mist Farms artichoke display kit with bulk and packaged artichokes



Reader Service No. 309

IPC SELECTS CONTEST WINNERS

Idaho Potato Commission, Eagle, ID, announced winners to its 19th Annual Potato Lover's Month Retail Display Contest. Winners received between \$100 and \$1,500. First place winners were Gleo Runyon of Pick n Save, Robert Kruse of Sweetbay Supermarkets and Fred Sweany of Buehler's Fresh Foods (pictured).



Reader Service No. 310

OTC USA OFFERS SOUTH AFRICAN ORGANIC RUBY RED GRAPES

OTC USA Inc., Stoneham, MA, will be one of the first companies in the United States to receive Organic Ruby Red grapefruits out of South Africa. The USDA ruled that certain South African districts are able to export grapefruit from pest-free areas. The OTC group is one of the biggest organic summer fruit importers in South Africa.



Reader Service No. 311

ZESPRI KIWIFRUIT PROGRAM LAUNCHES SWEEPSTAKES

ZESPRI, Redwood City, CA, has launched The Great Kiwi Adventure Sweepstakes, which offers a grand prize trip for four to New Zealand. The sweepstakes ends October 31st. A lucky winner will be drawn at random in early November. The sweepstakes is open to United States residents ages 18 and over



Reader Service No. 312

WPVGA OFFERS POP, RECIPE TEAR-PADS

Wisconsin Potato and Vegetable Growers Association (WPVGA) Antigo, WI, offers free POP material, including posters and recipe tear-pads featuring the winning recipe of the WPVGA summer recipe contest, Potato Salad - Summer Style (pictured). The winning recipe was submitted by Diana Chaginian of Watertown, MA.



Reader Service No. 313

SUN WORLD REINTRODUCES PEPPER BRANDS

Sun World International LLC Bakersfield, CA, has expanded its line of branded produce offerings with the reintroduction of the Le Rouge Royale sweet red pepper brand and Le Jaune Royale, its yellow pepper counterpart, just in time for the California pepper season.



Reader Service No. 314

SIMONIAN FRUIT OFFERS IN-SEASON APRICOTS

Simonian Fruit Co., Fowler, CA, has announced the first apricots of the season are now available. Due to several unseasonably strong California storms, picking season arrived later than usual, allowing the fruit to stay on the trees longer and increase their sugar con-



Reader Service No. 315

DOLE LAUNCHES GO BANANAS AFTER DARK PROGRAM

Dole Fresh Fruit Co., Westlake Village, CA, kicked off Go Bananas After Dark, in an effort to challenge the notion of America's favorite fruit as a breakfast- and lunch-only food. The program offers new ways to enjoy the iconic fruit for dinner, dessert and as a unique twist on summer BBQ and grilling plans.



Reader Service No. 316

WCCPF EXPANDS SOUTH AFRICAN CITRUS MARKETS

Western Cape Citrus Producers Forum (WCCPF), Philadelphia, PA, is aggressively marketing its South African citrus products to U.S. consumers in the West and Pacific Northwest Coasts. The WCCPF is the South African grower group that is the leading supplier of Southern Hemisphere citrus to the United States.



Reader Service No. 317

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personnal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, Produce Business, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com



RESEARCH PERSPECTIVE

BY NATHALIE BERG, RESEARCH DIRECTOR, PLANET RETAIL

Private Label: The Brands of the Future

revious recessions have shown a clear correlation between the state of the economy and private label market share. In the past, private label sales spiked during a recession, but quickly returned to normal levels at the first sign of an upturn. This time around, however, private label will have a much stickier effect due to a combination of improvements in the quality and marketing of these items as well as retailers' SKU rationalization efforts, which has carved out more shelf space for private labels. Furthermore, new frugal tendencies amongst shoppers have ignited demand for these products.

Today, private label accounts for one in every three products sold at Kroger, while approximately 15 percent of Wal-Mart's grocery sales are made up of its own brands. Private label not only offers greater value to consumers, but is increasingly becoming a point of differentiation for supermarkets — not to mention a more profitable one.

So it's no surprise that retailers are working hard to improve recipes, redesign packaging and even invest in advertising for these products. All of these efforts will certainly help to raise brand awareness. However, there is a much more direct way to grow share of private label items — get rid of the competition. Many grocery chains across the United States and Europe are now focusing their efforts on SKU rationalization, a process that not only enables retailers to reduce inventory and labor costs but, perhaps more importantly in the long run, to give private label items greater prominence on the shelf. Wal-Mart, for example, is in the process of reducing its overall assortment by 15 percent in the United States (30 percent in the UK), while supermarkets such as Super-Valu are reducing their SKU counts by up to 25 percent in certain categories.

SKU rationalization is mainly relevant in categories where there is an over-proliferation of brands such as the cereal aisle, and therefore unlikely to have a significant impact on the pro-

As the world's leading retail analyst firm since 1995, Planet Retail provides unrivaled global insight, analysis, news and data covering more than 7,000 retail operations across 211 countries. For more information, please see www.planetretail.net. duce category. That said, it does represent a further power shift into the hands of the retailer, and that, of course, is an area that affects all suppliers. In our latest report, Private Label: The Brands of the Future, we have identified several ways in which brand suppliers can respond to the private label threat, ranging from the slightly more defensive tactics (i.e. launching value subbrands) to collaborative approaches such as joint promotions and co-branding. Suppliers should also be looking to innovation as well as shopper-centric strategies, whether that is engaging directly with consumers through social media or investing in the direct-to-consumer channel. In fact, you can argue that retailers have been stripping out the middleman for years by pushing their private labels. Brand manufacturers are now recognizing an opportunity to do the same by going direct-to-consumer through brand stores, services and online channels.

In our report, we have also identified ten key private label trends for 2010. There will certainly be a repositioning of the value lines that have featured so heavily during the recession. These lines have helped the grocers to retain shoppers by improving their price perception; however, as the economy improves, the focus will transition to the more profitable premium lines. In fact, we believe that there is room for a super-premium line that has yet to be introduced in the United States. In Europe, where private label penetration rates can be as high as 50 percent (compared to about 25 percent in the United States), we are now seeing the introduction of these super-premium lines that cater to quality-seeking shoppers trading out of restaurants. For example, Tesco is now offering a Restaurant Collection range priced at £10, or \$14.

There is also plenty of room for growth with niche sub-brands, which have yet to take off in the U.S. market. For example, France's Casino recently launched a Halal food range while Carrefour offers a glutenfree line. Transparency is also on the rise as consumers take a greater interest in the provenance of products. In fact, NY-based Wegmans recently began putting the manu-



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France's Carrefour offers a private, glutenfree line of products.

facturer name on the packaging of select private label items, a tactic used primarily by German and Swiss grocers.

The most successful private label lines are now embarking on a series of brand-building exercises as they transition from "generic alternative" to "CPG brand." Safeway and UK grocer, Waitrose, are pioneering this trend globally by distributing their private label lines to other retailers. Currently, very few retailers are able to make this transition, as it requires extremely strong brand equity; however, this is a trend we expect to gain pace, further blurring the line between national brands and private labels.

Going forward, it's clear that there are ample growth opportunities for private label in the United States. However, private label penetration rates are unlikely to ever reach levels found in markets such as Switzerland or the UK. In Europe, a combination of market consolidation and a strong presence of hard discounters has enabled private label to flourish. The U.S. grocery sector meanwhile remains largely regional and fragmented — even Wal-Mart holds less than a 15 percent share on a national level. However, it is fair to say that Americans' affinity for national brands will continue to be tested as retailers raise the bar of their private label items.



COMMENTS AND ANALYSIS

BY JIM PREVOR, EDITOR-IN-CHIEF, PRODUCE BUSINESS

No Free Ride For Private Lahels

he future for private label is almost universally seen as bright. Yet the intrinsic logic of the interaction between private label and national brands makes the future for private label somewhat problematic, and the peculiarities of fresh produce marketing make private label produce unlikely to triumph.

The key thing to think about is why a retailer would want to sell private label product at all. The answer is generally better margins. How can a retailer get better margins through private label? Well, in a few cases, retailers literally become manufacturers and own manufacturing plants. In these situations, retailers can combine both a manufacturer's margin and a retailer's margin to come up with a substantial margin number. But this path involves significant capital investment and risk, so it requires additional margin to compensate for that outlay.

So this leaves retailers with purchasing from co-packers or other manufacturers. Yet how will this increase supermarket margins? To a small degree, supermarkets can get super great prices by persuading manufacturers to sell based on marginal costs rather than fully loaded costs. In other words, a branded cookie company sells enough cookies to keep its plant working at 90 percent of capacity. Some lucky chain or chains may persuade the cookie manufacturer to accept a cheap price to fill its last 10 percent of capacity.

But the ability to get this big margin is limited. At a 90/10 ratio, the branded product can carry all the fixed costs, but if private label grows and branded product gets kicked out of the stores, then the ratio may switch to 60/40 or the manufacturer may drop its brand all together. At this point, it seems clear that the "free ride" for private label will be over and the private label product will increasingly have to carry its fair share of the overhead and capital costs.

So how exactly will private label boost margins? Well, this still leaves reductions in advertising, marketing and sales costs that national brands have to absorb. This is a big chunk of money and seems to offer the potential for big savings.

Yet even this savings is somewhat problematic. First, on some products, such as fresh produce, these costs are minimal. Even the most heavily promoted produce items rarely spend more than a penny a pound on advertising and promotion. Second, where marketing expenditures are higher, a not-insignificant amount of these expenditures goes directly or indirectly to benefit the supermarket — it may be slotting fees or merchandising assistance, consumer research, demos and sampling, etc. Zeroing these out of the product price will lead to reduction in revenues or increases in expenses for supermarkets.

Third, many of the savings may be very short run. Yes, if consumers have been trained by Oscar Mayer to eat B-O-L-O-G-N-A or Hebrew National to eat Kosher food because the company "answers to a higher authority," then offering private label products that can piggyback on these campaigns without paying for them will result in higher margins. But if national brands shrink, they won't have the resources to do the kind of advertising and marketing that has built these categories. So the supermarket looking for high margins through private label will have little choice but to start spending money to build and market the category.

The comeuppance of all this is troublesome for those who advocate private label marketing: If retailers have to cover the whole nut of manufacturing and have to invest in marketing and product development to build the private label brands and the category, it is not clear there is any real lift in margins to be had from private label.

The sustainable gain in private label comes from something much more difficult to do than co-packing corn flakes. It involves the creation of unique foods or flavor profiles that will draw consumers back and turn the private label program into a customer draw. Trader Joe's is exemplary in America with this approach, and we often hear of consumers overnighting a sauce or dressing that Trader Joe's uniquely has.

In produce, what private label has mostly

rivate-label produce has mostly disappointed supermarket CEOs.

done is disappoint supermarket CEOs. They were able, at least in the short term, to get a margin boost in grocery with a private label orientation, but produce producers never had such fat margins to cut, and so it never has worked out as well in produce as the retail CEO had expected.

The future for private label may see some quick about-faces because a focus on limiting SKUs, although superficially appealing, may be incompatible with the trade's existing real estate inventory. Limiting SKU count to reduce costs and complexity may be a dandy strategy for an Aldi, but it seems to belie the whole purpose of a 70,000-square-foot supermarket or a 200,000-square-foot supercenter. These concepts live on their promise to provide one-stop shopping. Wal-Mart has already announced it will return to its shelves some products eliminated during its rationalization process.

In produce, of course, most products carry no brand known to the consumers. In this sense, the produce brands are, and always have been, identified with the retailer carrying the items. The trend, though, is opposite from private labeling, which implies a closer connection between the producer and the "big business" supermarket; the trend is to allow consumers a closer connection to the producer of their food.

That means branding focused on the producer with the supermarket shifting to the backgroun, in a sense, a plethora of brands national, international, regional and local which may overwhelm the idea of private labeling most produce.

Three Reasons Why Wal-Mart's Visits Are Down

With gas prices high

and consumer

budgets stressed,

Wal-Mart

management is

creating a

promotional, as

opposed to EDLP,

environment that

encourages

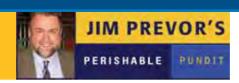
consumers to check

around. That is likely

why Wal-Mart visits

are down.

From Jim Prevor's Perishable Pundit June 7, 2010



hen the Pundit was just a boy, we remember the Pundit Poppa investing in the high-yield securities — in other words junk bonds — of many retailers. Hallowed names like W.T. Grant and McCrory's are gone now, but were the subject of avid attention at the Prevor dinner table.

So we've been studying the way retailers announce their sales and earnings for a long time and, although different retailers do different things at different times, for the most part, we find retail explanations highly self-serving.

It seems that if people don't shop at stores, it is often bad weather that gets the blame. And that seems to make sense as, after all, who wants to go out through the sleet and snow to get to a store? Of course, if sales are down and the weather is good, retailers sometimes blame good weather for poor results and that, also, makes sense. After all, who wants to go shopping when they can be at the beach?

After enough years of listening to this stuff, you realize that with a few exceptions, these reports are often *ex post facto* attempts to explain things in any possible way except to blame management. One got that feeling in the recent Wal-Mart conference call covering first quarter earnings of 2010.

Once again, Wal-Mart's United States same-store sales were down while profits were up. Last time, we wrote about this phenomenon in a piece titled *Wal-Mart Reports Strong Earnings — Is It Creating A Pricing Umbrella For Aldi?*

The explanations didn't really make much sense.

Eduardo Castro-Wright, president and CEO of Wal-Mart Stores Inc. USA, said the proximate cause was that customer traffic was down since basket size was up. Fair enough.

He pointed to two problems: The first was unemployment and fear of unemployment, although one would think that even if existing Wal-Mart shoppers have lost buying power or fear losing buying power, and so are buying conservatively, other consumers would compensate for this dynamic by "trading down" to Wal-Mart. It is curious this isn't happening and no explanation was given.

Castro-Wright's second claim was that visits were down because of high gas prices as Wal-Mart shoppers consolidated their buying trips in order to save on gas.

We are sure some consumers did this, but visits to Wal-Mart Super-

centers historically go UP with rising fuel costs, as a Supercenter concept provides one-stop shopping, thus eliminating trips to multiple stores. This saves both time and money. For every Wal-Mart consumer who might reduce his or her visit frequency to Wal-Mart because of high gas prices, there should be 10 who decide to increase their Wal-Mart visits and decrease visits to other venues because they can save on gas by getting everything they need at Wal-Mart.

Since economic distress and high gas prices are actually dynamics that should favor Wal-Mart and did not, an honest search for explanation $\frac{1}{2}$

has to go deeper.

We found three hints in the financials, press release and conference call:

1) Wal-Mart has been on a binge of reducing SKUs. This has never made sense to us. Yes, offering a limited assortment is a key way ALDI can keep costs low, but Aldi does not have 200,000-square-foot stores to fill. The whole point of a Supercenter is that one can get everything one wants there. Cutting low volume SKUs seems like a no-brainer — eliminate slow selling items and reduce costs - but very often, those slow selling items are the exact reason people select that store for their shopping. They love that brand, that size, that flavor profile and can't get it elsewhere. If you drop the SKU, you lose the customer or at least the frequency of visit, which is a better explanation for why visits are down than gas prices or unemployment.

One suspects Wal-Mart knows this as management mentioned in the call that they were restoring 300 items to grocery that they had just taken out. In other words, they had to restore items because they were losing customers or, at least, frequency, which shows Wal-Mart doesn't have a good system for knowing what customers really value, which is not the same as simply what they buy. They may buy 90 per-

cent Coke and Diet Coke but choose the store because it is the one that sells Dr. Brown's Cel-Ray Tonic.

2) A related insight as to what is depressing visits is in the explanation of where sales were strong and where they were weak. Areas such as produce, seafood and deli were up, but grocery was down. Note that rising sales of fresh products makes no sense in the context of a decline of shopping frequency caused by high gas prices. It also makes no sense if the decline of shopping frequency is due to high unemployment and fear of unemployment, since such concerns lead to the purchase of items that won't go bad and potentially be wasted.

What would explain this is that in addition to reducing SKU count,

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Wal-Mart has been pushing a private label initiative. This further reduces the likelihood that consumers will find the brand and size they want on Wal-Mart's shelves.

But the private label roll-out has not been uniform across the store; it is far more advanced in grocery than in perishables.

So we are now coming to see a reasonable explanation of what has been happening. Consumers who come to Wal-Mart can't find the products they want because SKU count is reduced and branded product is replaced by private label, so the consumers come less frequently because Wal-Mart is forcing them to go to other stores to find the products they want.

3) Finally, one other hint of a problem was the incessant attention to Wal-Mart's "rollback" program on prices, which is, in fact, just a gimmick. The important numbers are that Wal-Mart's profits have been rising faster than its sales.

Yes, we know all about the greater efficiencies Wal-Mart is claiming to

realize. What it should do is pass on those savings to consumers. This is what encourages a virtuous circle of lower costs, leading to uniformly lower prices, which leads to high volume, which leads to lower costs.

The rollback strategy, which is the same thing as telling consumers, "We used to overcharge you... now we won't," is actually damaging Wal-Mart's reputation for always having the right price. This is a precious asset because it means consumers won't feel the need to price-compare. What Wal-Mart is teaching its customers now is that they better price-check other stores because although Wal-Mart has rolled back certain prices, it is not promoting on other items, but, perhaps, some competitor is.

With gas prices high and consumer budgets stressed, Wal-Mart management is creating a promotional, as opposed to EDLP, environment that encourages consumers to check around. That is likely why Wal-Mart visits are down. Don't hold your breath waiting for that analysis on a conference call.

Wal-Mart's ASDA To Acquire The UK's Netto Stores: Will They Bring The Small-Store Concept To America?

June 11, 2010

e've written a great deal about Tesco's Fresh & Easy and Wal-Mart, and we've written about Wal-Mart's small store effort, Marketside.

With Fresh & Easy hemorrhaging money and Marketside a bust and expansion having been stopped, the big chains need a new vision for a small-store option.

Wal-Mart has done what big companies typically do best: it just bought such an option.

Its British subsidiary, ASDA, has announced that it is acquiring the British division of Netto, a small store chain - each unit is about 8,000 square feet - that is strong in Denmark and other European markets, but an also-ran in the tough UK discounter market to Aldi and Lidl.

ASDA had missed the boat when Tesco had moved into small stores in the UK so, in a sense, the acquisition is just part of an effort to play catch-up. The stores will be managed differently than now - ASDA intends to almost

double staff in each unit, which will be re-branded under the ASDA name. ASDA is paying what to American sensibilities sounds like the astonishingly high price of £4m, or about \$6 million, per store.

This is testimony to how difficult it is to get locations in the UK. In fact, one should always take with a grain of salt the claims of how brilliant the British retail executives are compared to their American counterparts. In truth, they are protected against competition by British restrictions on building new stores. Since Wal-Mart bought ASDA, they desperately wanted to open more Supercenters, but that is an almost impossible thing to do on any scale in Britain. By controlling the supply of retail square footage available, Britain makes its retail executives look like geniuses.

So, in effect, Wal-Mart paid a lot of "key" money just to get the loca-

If the "new Netto" works, Wal-Mart has its answer and will go on a storeopening whirl. Aldi currently has about a thousand stores in the United States; it is easy to imagine Wal-Mart opening five times that number.

tions. If it can operate these small stores profitably, it will probably try to bring them to America. The vision, however, is likely to be different than Tesco's was in opening Fresh & Easy.

Wal-Mart would have two options:

One idea would be to look in America for areas that are also constrained when it comes to retail space. These are typically the most urbanized areas - Manhattan, the Loop in Chicago, Downtown San Francisco. This is where the market is in America for small box stores. It is also where Wal-Mart has no square footage at all. If this acquisition pans out, Wal-Mart could use this small store format to change that situation.

The second option would be to use the "new Netto" as Wal-Mart's answer to Aldi. As we mentioned in our piece, Wal-Mart Swaps Strategy For Tactics, Wal-Mart is on the verge of losing a precious asset - its

reputation for having consistently the lowest prices. Up to this moment Wal-Mart has not had an answer.

If the "new Netto" works, Wal-Mart has its answer and will go on a store-opening whirl. Aldi currently has about a thousand stores in the United States; it is easy to imagine Wal-Mart opening five times that number.

What is not clear is to what degree the new small store ASDA concept will be price competitive with Aldi and Lidl, if they can beat them in the UK, and make a decent profit doing it, they will be looking for small store locations.

We would recommend they open one in the parking lot of every Supercenter. Of course, if the new CEO sours on Fresh & Easy, Tesco may have many locations for sale!

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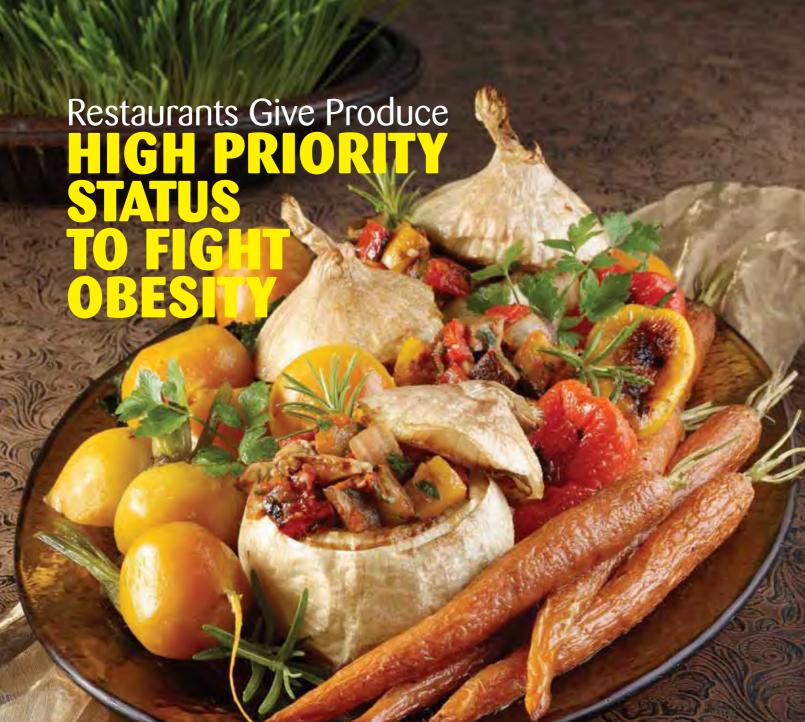


Photo courtesy of Seasons 52

The foodservice industry is in a prime position to help Americans across the country increase their fresh produce consumption by reimagining the center of the plate and including healthful and creative appetizers, side dishes and desserts.

BY CAROL BAREUTHER, RD

Obesity is one of the most serious public health concerns of the 21st century. According to a 2010-published study in the *Journal of the American Medical Association*, one-third of all adult Americans, or 32.2 percent of men and 35.5 percent of women, are obese. What's more, the number of overweight kids ages 6 to 19 has tripled since 1970, according to a 2007 study published in the *New England Journal of Medicine*.



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PMA Foodservice Booth # 13 Super-sized portions, all-you-can-eat buffets and limited assortment menus skewed towards high fat foods have characterized a large slice of the foodservice industry over the past few decades and have been one of the contributors of this obesity epidemic.

Americans definitely have a hankering for eating out. Food and drink sales at restaurants grew from \$42.8 billion in 1970 to a projected \$580.1 billion in 2010, according to the Washington, DC-based National Restaurant Association (NRA). In addition, on a typical day more than 130 million people — or nearly half the nation — eat in a restaurant. What these numbers add up to is the foodservice industry's ability to influence American food habits and the potential to take a bite out of the obesity epidemic in a big way.

"It is clear that more and more American consumers are embracing a healthful lifestyle." says Dawn Sweeney, the NRA's president and CEO. "As always, the restaurant industry is responding to consumers' preferences by providing numerous options to accommodate all types of tastes and eating plans, demonstrating that dining out and living a healthful lifestyle can go hand-in-hand. An important part of this is identifying new opportunities to serve more fresh produce on restaurant menus."

A Call To Action: Foodservice 2020

"There's been a myth in the foodservice industry that fresh produce is difficult to handle, that it's a headache," says Bryan Silbermann, president and CEO of the Newark, DE-

Where Do We Go From Here?

t's been one year since the launch of Foodservice 2020, a joint initiative by the Produce Marketing Association (PMA), National Restaurant Association (NRA) and International Food Distributors Association (IFDA) to double the use of fresh produce on restaurant menus in the next decade. So where do we go from this point? Here are three ideas.

First, there needs to be a benchmark established. Bryan Silbermann, president and CEO of the Newark, DE-based PMA, says, "This will likely be a pound or case quantity so that we can measure milestones and the success of the initiative."

Secondly, to increase awareness of Foodservice 2020, Maurice Totty, director of procurement for Foodbuy LLC/The Compass Group, in Charlotte, NC, recommends, "There needs to be a marketing campaign within all three organizations so that everyone is aware and committed to the goal."

Third, Greg Drescher, executive director of strategic initiatives for the Culinary Institute of America at Greystone, in St. Helena, CA, says, "The initial strategy going forward should be to show success in one segment — maybe chain restaurants or campus dining or quick-serve — but not necessarily across the board. Then, work out and expand on the successes learned."

based Produce Marketing Association (PMA), "This is the thinking that drove the grocery business years ago to canned and frozen foods. Today, retailers not only embrace fresh produce, but use the department as a point of differentiation. It's time for the foodservice industry to do the same. Not only can fresh produce be used as a point of distinction on which to build a brand, but its use in menu offerings demonstrates social responsibility in the midst of our nation's health care and obesity crisis. It can also be profitable, yet this last point is often a lost piece."

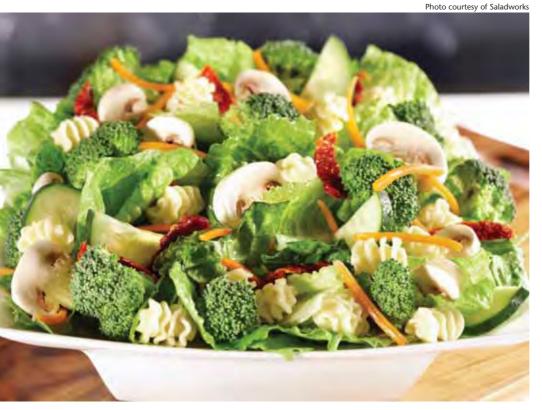
In April 2009, the NRA conducted a nation-wide telephone survey of 500 foodservice oper-

ators who were responsible for purchasing fresh produce in their restaurants. In addition, 10 individual interviews were conducted in June 2009 with purchasing executives from chain restaurant companies — five among fullservice chains and five among quick-service chain restaurants (QSR). The idea was to build a foundation for a collaborative effort on which to identify new opportunities to serve more fresh produce on restaurant menus. Results indicated that foodservice operators indeed had a strong interest in expanding their produce options and produce sourcing and in food safety. What's more, 41 percent of operators said that they expected to serve more fresh produce in the next two years.

It was with these results in mind that industry leaders from the PMA, NRA and the McLean, VA-based International Foodservice Distributors Association (IFDA) met this past July at PMA's Foodservice Conference and Exposition in Monterey, CA. The outcome of a think tank session was the launch of a joint initiative called Foodservice 2020, which has the goal to double the use of fresh produce on restaurant menus over the next decade. Key among the collaborative strategies identified to make this initiative a success are re-imagining the restaurant experience with a stronger produce presence, improving consumer confidence in produce, demonstrating social responsibility and collaborating closely with government and other stakeholders as well as between industry sectors.

Fresh Produce On The Menu

There's always been some type of fresh produce on restaurant menus, even if it's been the sprig of parsley next to the meat and potatoes. However, recently many foodservice operators have become more produce-centric. According to the NRA's 2009 research, nearly three out of



"Today, retailers not only embrace fresh produce, but use the department as a point of differentiation. It's time for the foodservice industry to do the same. Not only can fresh produce be used as a point of distinction on which to build a brand, but its use in menu offerings demonstrates social responsibility in the midst of our nation's health care and obesity crisis."

> - Bryan Silbermann **Produce Marketing Association**

four restaurant operators — 72 percent — said emphasizing fresh produce in their marketing efforts drives more consumers to their restaurant

The addition of Apple Dippers to the menu at McDonald's, the Oak Brook, IL-based hamburger chain with more than 31,000 outlets worldwide, has appealed to health-conscious moms looking for a fast and nutritious meal for their children, while simultaneously spurring demand for more than 50 million pounds of fresh apples annually.

Don Perry, vice president of corporate public relations for Chick-Fil-A Inc., a 1,600-plus unit chain headquartered in College Park, GA, says, "Fresh produce has significantly increased on our menu with the addition of more entrée salads, our stable of fresh side salads, and the addition of more 'deluxe' sandwiches with lettuce and tomatoes as standard options."

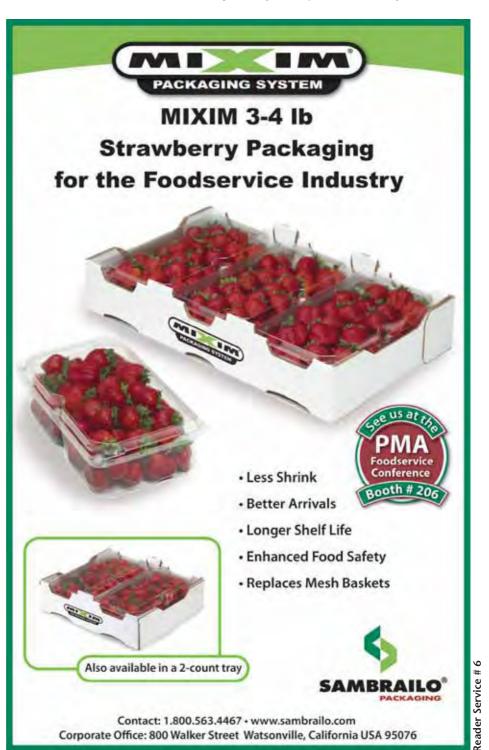
How fresh produce is prepared is what's proving the key to its menu and marketing success. "Salad bars seemed like a good idea at first," admits Greg Drescher, executive director of strategic initiatives for the Culinary Institute of America at Greystone, in St. Helena, CA. "Customers would mix and match items. but then add a high-fat high-sodium dressing. and basically come up with one result. I think the challenge for chefs today lies in the fact that a straightforward attempt to add produce to the menu has gone as far as it can. Now is the time for flavor strategies that make fresh produce compelling and cravable. The American palate is much more adventurous and

open to global culinary trends."

Salads are still a prime vehicle for foodservice operators to offer fresh produce to its customers, albeit it in a whole new way. This summer, Dublin, OH-based Wendy's International launched its revamped four-item Garden Sensation's salad line. The new selections include an Apple Pecan Chicken Salad with fresh apples, dried cranberries and pecans with pomegranate vinaigrette; a BLT Cobb Salad with an avocado ranch dressing made from Hass avocados; and a Baja Salad with Hass avocados and Pico de Gallo made in-store. These three salads use a mixture of iceberg,

romaine and spring mix that contains nine different varieties of lettuce. The fourth new salad is a Spicy Chicken Caesar made with romaine and grape tomatoes. Kitty Munger, spokesperson for the 6,600-plus unit chain, admits the strategic goal of the chain's salad re-do is to take back ownership of the QSR salad market. "This is the first time we've had apples, cranberries, avocados and Pico de Gallo — made fresh daily from cilantro, onions and tomatoes — on our menu."

Produce should have such panache and flavor that it overtakes protein at the center of the plate, says Ted Balestreri, president, CEO





Photos courtesy of Seasons 52

"I think the challenge for chefs today lies in the fact that a straightforward attempt to add produce to the menu has gone as far as it can. Now is the time for flavor strategies that make fresh produce compelling and cravable. The American palate is much more adventurous and open to global culinary trends."

> - Greg Drescher Culinary Institute of America at Greystone

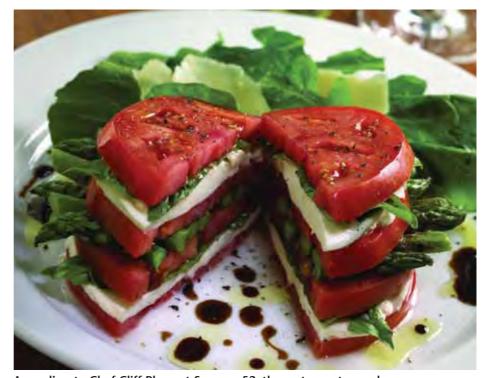
and co-founder of the Sardine Factory, an upscale restaurant in Monterey, CA. "Broccoli fettuccini with a side of chicken, for example. Or, customers can order our house salad. made with Tanimura & Antle's Artisan Lettuce. topped with Oregon Sweet Bay shrimp to make a meal. You don't have to depend on the dressing for flavor when you use interesting lettuce blends."

Lettuce is the focus of current research and development by John Scardapane, founder, chairman and CEO of Saladworks LLC, the Conshohocken, PA-based fresh-tossed salad franchise. "We're looking at a half-head of grilled romaine with different toppings as a way to penetrate the evening day part."

"Beyond salads," says the CIA's Drescher, "the model of something like steamed broccoli with salt and pepper is so limiting."

Creatively prepared fresh fruits and vegetables is something that draws some 30,000 customers a week to Seasons 52, a fresh concept chain owned by the Orlando, FL-based Darden Restaurants that will see expansion to its 14th restaurant this year. Chef Cliff Pleau, executive chef and director of culinary development, asserts, "We are definitely a produce-founded company. In fact, we spend more on produce than protein."

Pleau's success in enticing the public to eat its veggies owes to a couple of approaches. For one, he takes a vegetable customers know well, broccoli for example, and highlights its natural flavor by steaming it, chilling it, slicing a head in half flat, so it's like a steak and grilling it with a baste of Caesar dressing. Pleau also likes to offer guests an element of exploration. This might be golden beets roast-



According to Chef Cliff Pleau at Seasons 52, the restaurant spends more money on produce than protein.

ed in their jackets, peeled, cut into wedges and served with a dollop of Wasabi-flavored sour cream. Fresh fruit doesn't escape Pleau's creative touch, either. "We take a Bosc pear, put it in the oven for 30 minutes and let the sugars rise to the top," he explains. "The fruit glazes itself. We finish it off with a spoon of chutney on top."

Doing It Right

The social responsibility aspect to putting

more fresh produce on the menu encompasses every stage from field to fork. Silbermann says, "Diet and wellness is indeed a major focus. However, we can't lose sight of issues such as water supply, protecting the land, the availability of a sustainable work force and enough farm labor to harvest crops. This impacts small farms and large, as well as domestic and imported produce. The whole social responsibility model needs to broaden."

The issue of how many calories, grams of

The Importance of **Food Safety**

ood safety remains a top priority for restaurant operators. According to the NRA's 2009 research, 89 percent of operators said they are willing to pay more for their fresh produce if its safety is guaranteed, and 76 percent of operators said they are willing to pay more for fresh produce if it is traceable all the way up the supply chain. Don Perry, vice president of corporate public relations for Chick-Fil-A, in College Park, GA, says, "We look to the produce industry to continue to provide an increasingly safe and affordable supply of fresh produce. Our customers are expecting it."

There have been clear strides in food safety in recent years. This includes research conducted on gaps in knowledge on the production side by the Center for Produce Safety at the University of California at Davis to the produce industry's proactive work with the Food and Drug Administration and other government entities in areas of food safety regulation. "As a result," says Bryan Silbermann, "president and CEO of the Newark, DEbased Produce Marketing Association (PMA) "we, as an industry, are seen as proactive and as addressing consumers' concerns in the latest surveys of consumer confidence." pb

fat and milligrams of sodium consumers ingest will now be transparent. A new Federal law requires restaurant chains with more than 20 locations to post the nutrition information of their menu items. This type of disclosure has proven advantageous for Saladworks, says Scardapane. "Consumers see all the calories and fat in other concepts and they don't stop eating there, but they don't eat there as often. Instead, they look around for alternatives. This has been a boon for us."

This spring, Saladworks added new menu offerings that feature more than 50 fresh salad ingredients. Thirty-two of them are producebased such as avocado, edamame, beets, green beans and grape tomatoes. By using nutrition information provided in-store, customers can pick and choose their salad toppings to achieve the nutritional benefits they desire. In addition, the company also launched a line of signature salads, all of which contain less than 500 calories.

There is no nutrition information per se on the menus at Seasons 52. That's because the entire concept is based around all menu items

"Eating more produce is naturally heathful, but you have to be careful to not be preachy. There's a difference between being a fine-dining restaurant and being a clinic. That's why our emphasis is on freshness and flavor."

> - Chef Cliff Pleau Seasons 52

providing no more than 475 nutritionally balanced calories. Pleau says, "Eating more produce is naturally healthful, but you have to be careful to not be preachy. There's a difference between being a fine-dining restaurant and being a clinic. That's why our emphasis is on freshness and flavor."

Portion size and seasonality are two things Pleau uses to his advantage. For example, the dessert, or Mini Indulgence menu, offers Strawberry Shortcake in the spring, Blueberry Cheesecake in the summer and Pumpkin Pie with Double Gingersnap Crust in the fall — all

served in a shot glass.

Small portions, something between appetizer and entrée size, are something that customers responded favorably to in a new 3-Course Mini Prix Fixe Platter offered at the Sardine Factory, says Balestreri, "not only for the price, but they say it's just enough."

The Sardine Factory has also tapped into the media buzz about super fruits to offer customers a new healthful salad.

Bert Cutino, chef, vice president, chief operating officer and co-founder of The Sardine Factory, along with Balestreri, says, "Customers will come in especially for our Açai Salad. They'll pair it with an Açai Martini and make it a meal." The Açai Salad comes with romaine lettuce, poached pears, orange segments, walnuts and an Açai blackberry vinaigrette.

Several chains are not only providing nutrition information, but nutrition education in an innovative way. For example, the Palo Alto, CAbased Bon Appétit Management Co., with 400 cafes nationwide, offers its customers Well Being This Month news. Maisie Greenawalt, vice president, says, "The program has evolved over the past five years. At first, we focused on a certain nutrient such as calcium, for example, and built a menu around this topic. Now, we'll focus on a celebration of a different food each month. For example, it might be aspara-



Reader Service # 86

gus. We'll have a beauty shot of the item in each of our cafés along with the nutritional benefits as written by a registered dietitian."

Timed with the release of DreamWorks Animation's Shrek Forever After and a Happy Meal promotion that features white meat chicken nuggets, Apple Dippers and low-fat milk, McDonald's is unveiling 'Stage M,' an action-packed, interactive online experience for kids featuring new music videos recorded by popular kids' artists. The online videos use colorful animation and music to engage kids in the taste and appeal of fruits and vegetables.

Working Together

PMA's Silbermann says, "Over the last year, we've seen a closer collaboration, both within and outside of the industry, toward increasing produce consumption. This has certainly come from the White House Task Force on Childhood Obesity. This is the first time a government report has set a specific level for consumption. We, as an industry, want to collaborate with government and the private sector to reach these goals."

The Task Force report, released May 12 and titled, Solving the Problem of Childhood Obesity in a Generation, calls for average fruit consumption to increase to 75 percent of the level recommended by the 2005 Dietary Guidelines



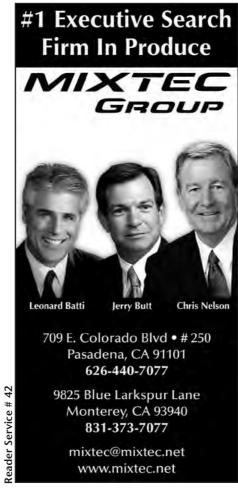
Of the 50-plus new fresh ingredients Saladworks added to its menu this past spring, 32 of them are produce-based.

for Americans by 2015, 85 percent by 2020 and 100 percent by 2030. Similarly, vegetable consumption should increase to 60 percent of the recommended levels by 2015, 75 percent by 2020 and 100 percent by 2030. These recommendations are based on current USDA per capita consumption figures.

In a collaborative effort to help reach these goals, the NRA is partnering with culinary

groups and institutions to develop ways to incorporate more produce in menu planning. Sweeney of the NRA says, "We are also working with foodservice companies in schools on ways to increase fruit and vegetable offerings and consumption. In February, school lunch providers, Aramark, Chartwells Educational Dining Services of Compass Group North America and Sodexo, announced a ground-













Learn about the tastiest trends.

What's new for 2010? How can you get more produce on their plates? See it all at PMA's Foodservice Conference & Exposition. From fresh app and entrée ideas to expert insight and innovative products and services, it's time to get cooking!

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Reader Service # 15



MONTEREY CALIFORNIA, USA JULY 30 - AUGUST 1

The Fresh Produce Challenge

resh produce usage on menus is trending upward. However, there remains unfilled demand among restaurant operators in some areas. According to the NRA's 2009 research, 67 percent of restaurant operators said they wish they had more options regarding fresh produce selections; 60 percent said they wish there was more information on how to incorporate fresh produce on their menu; and 79 percent said they wish there were more value-added products in the fresh produce arena.

More Information & Good Communication More than just a list with products by name and price, many foodservice operators desire more information about where a fruit or vegetable is grown, how it's grown and how long it's available. "This helps us to make better decisions on what to build a menu around using fresh, seasonal ingredients," explains Maisie Greenawalt, vice president of Palo Alto, CA-based Bon Appétit Management Co. "The concept of every item, every day is outmoded. We believe in menus with a sense of place and season. A greater depth of information from suppliers is beneficial for us in achieving this, and is also a sales opportunity for the supplier."

Information on where to get more organic and local produce is something John Scardapane, founder, chairman and CEO of Saladworks LLC, the Conshohocken, PA-based fresh-tossed salad franchisee, desires. "Even though we're a national chain, if a distributor could source and deliver a safe, steady supply of organic and regional produce, we would use it and use more of it."

Fifty-six percent of respondents surveyed by the NRA in 2009 served locally sourced produce in their restaurants. Among chain-purchasing executives, the primary argument against using locally sourced produce was that it adds a layer of uncertainty in terms of ensuring the chain's traceability standards and requirements are being met.

Good communication and a proactive front line is something that Chef Cliff Pleau, executive chef and director of culinary development for Seasons 52, a fresh concept chain owned by the Orlando, FL-based Darden Restaurants looks for from suppliers. "Over deliver and under promise — that's what we'd like," Pleau asserts. "Sometimes there are suppliers who, in an effort to please, will promise something they can't deliver. We can move quickly because our menu changes each week, but it still can be hard to pull back out."

Consistency Many suppliers are geared to the retail market and think eye appeal, says Greg Drescher, executive director of strategic initiatives for the Culinary Institute of America at Greystone, in St. Helena, CA. "McDonald's, for example, doesn't care what an apple looks like on the outside because they are serving it sliced. It's the flavor that's important."

Ted Balestreri, president, CEO and co-founder of the Sardine Factory, an upscale restaurant in Monterey, CA, says, "Tomatoes are one of the hardest produce items to get that taste good on a consistent basis."

One thing Scardapane struggles with is the inconsistency in fresh produce throughout the year, especially when there's a switch between seasons and growing areas. "There's always a few weeks that we get produce that isn't the best quality," he says.

Packaging Innovations & Specifications Scardapane would like to see more effort put into the packaging of products such as lettuce. "It still comes in cardboard cartons and in this form it gets bruised. If suppliers or distributors could think of a way to better protect the heads, we would get a longer shelf life, better yield and less shrink."

An avocado supplier who now offers modified atmosphere-packed peeled halves of its fruit has been a real boon to Saladworks. "We prep our ingredients in the morning for lunch. Avocados eventually brown no matter what you do and we'd often end up with a lot of brown paste," says Scardapane. "Now, when an order comes in, we just take out a peeled avocado half and slice it right on the salad."

Grow Produce to Certain Specifications Seasons 52 sources its produce from a variety of suppliers. The chain also goes directly to growers who custom-produce product. For example, Wisner Farms in California supplies rainbow-colored carrots to the chain. Pleau says, "We spec from them a uniformly sized carrot so that when we roast them in the oven, they will all cook evenly."

Chefs on the Supply Side Drescher says, "One supplier once said, 'I just grow the stuff, you figure out what to do with it.' This is the wrong approach for agriculture. Today, suppliers need to have staff that is knowledgeable about the flavors and usages of the produce they grow."

Bryan Silbermann, president and CEO of the Newark, DE-based Produce Marketing Association (PMA) adds, "We may see in the future that suppliers will go directly to the chefs in charge of menu development instead of the procurement department. But, to do this they need to speak the same language."

Several suppliers and distributors do have trained chefs on staff, notes Cutino. "This is a great way to get ideas, especially with new products."

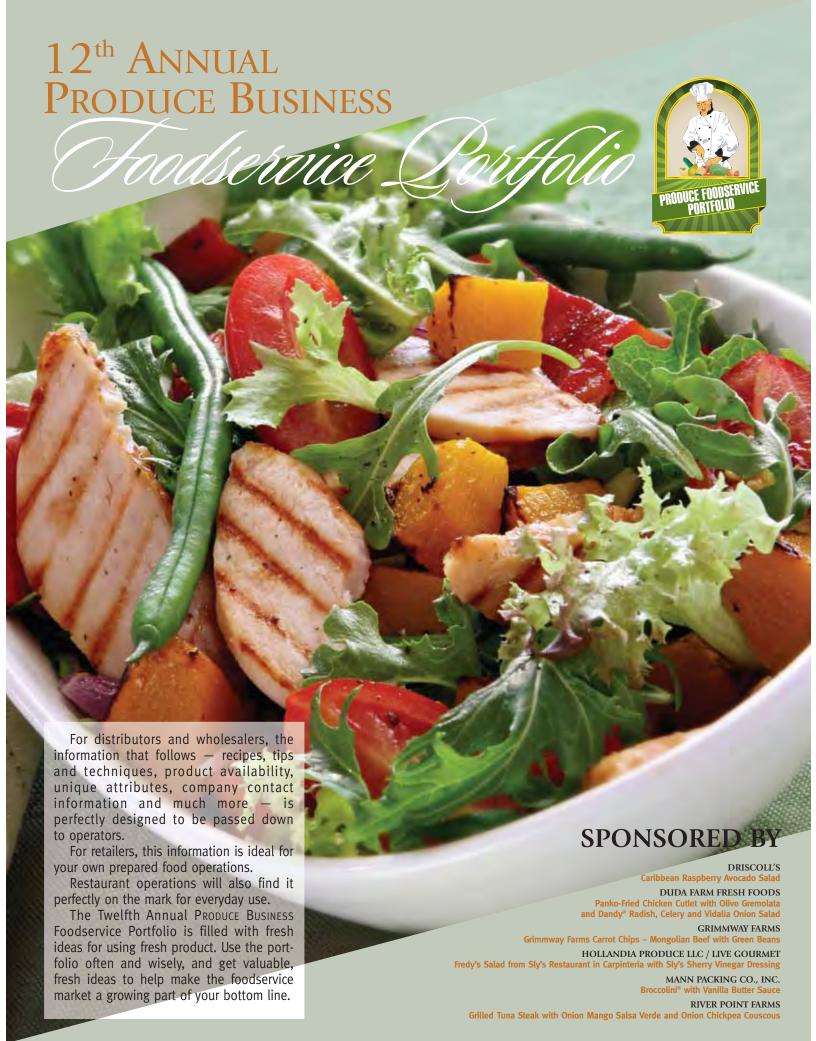


Wendy's Apple Pecan Chicken Salad, which includes fresh apples, pecans and dried cranberries, is one of four new salads included in the Garden Sensations Salad line.

breaking pledge to include more fruit, juice, vegetables, whole grains and milk options in school lunches."

Celebrity chefs such as Jamie Oliver and his Food Revolution, along with its accompanying television show, have also been a potent part of putting the idea of healthful eating and the knowledge of what to do with fresh produce into the consumer's mind.

Mark Allen, president and chief executive officer of the IFDA, says, "Ten years ago, no one would have thought that celebrity chefs would be paid more than sports stars. But the phenomenon is here and it's here to stay. These chefs are entertaining and passionate about food, and it puts pressure on growers, distributors and operators because consumers today expect certain things."





Caribbean Raspberry Avocado Salad



Top baby lettuce with a mixture of shrimp, mango, celery, onion, sliced avocado and fresh raspberries.

To make the vinaigrette, blend raspberries with balsamic vinegar, honey and Dijon mustard.

Season with salt and pepper.

For more exclusive berry recipes, visit www.driscolls.com



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Ask professional chefs about great berries and the name that comes to mind immediately is Driscoll's. In fact, a recent survey of foodservice operators named Driscoll's as the berry brand they purchased most often. From experienced chefs to culinary students, Driscoll's is the name that means sweet, juicy and aromatic berries with just the right texture and bright color. Driscoll's breeds its own proprietary berry varieties and the first priority in selecting new varieties is a delightful eating experience. Look for Driscoll's strawberries, raspberries, blue-berries and blackberries and add even more excitement with specialty berries, such as Driscoll's famous long-stem strawberries and unique golden raspberries.

Trust the Driscoll's Brand – The Finest Berries in the World®.

Tips and Techniques

The vivid color of fresh Driscoll's berries creates a dramatic, emotional connection for restaurant guests and stimulates important add-on sales — ensuring a delightful dining experience. The best recipe ideas are creative, intuitive, and simple — limited only by your imagination. An assortment of Driscoll's berries adds color and flare to even simple menu ideas. Research shows that although desserts were cited as the No. 1 menu use of fresh berries, operators are also using berries in beverages, desserts, salads, entrées and breakfast items — the possibilities are endless. Each berry has its own great combination of antioxidants and micronutrients, so an assortment of berries packs a huge nutritional punch.

Product Availability

Driscoll's searches the world for the best places to grow great berries. In these carefully chosen locations, they partner with the best farmers who share their passion for delighting consumers. The result is year-round availability of all berry varieties. Driscoll's world-class food safety program is uniformly enforced wherever Driscoll's berries are grown. Add to that Driscoll's incomparable quality assurance program and you've got: The Finest Berries in the World®.

Storage and Handling

- Berries should be moved quickly to refrigerated storage.
- Store them at 32° to 34°F.
- Avoid moisture. Do not store under refrigerator condenser units.
- Wash berries lightly immediately before serving.







trust most.



Driscoll's consistent quality and great tasting berries are available year 'round. That means every meal occasion-every day-is a chance to wow your customers with The Finest Berries in the World."

Offer your customers something special and set yourself apart.

Visit www.driscolls.com for more ideas.





Panko-Fried Chicken Cutlet with Olive Gremolata and Dandy® Radish, Celery and Vidalia Onion Salad



A composed salad of sliced Dandy® radishes, celery and Vidalia onion tossed with yuzu-umbeboshi vinaigrette makes a colorful platform for tonkaktsu-style fried chicken cutlet in this dish combining hot and cold elements. The gremolata of preserved black olive. hot red chile pepper and chives adds heat and a touch of bitter that balance the rich chicken and tangy salad in this fusion dish.

Serves: 4

SALAD AND DRESSING

- cups Dandy® red radish, in 1/4-inch slices
- cup Dandy® celery, cut at 45-degree angle into
- cup Dandy® Vidalia onion diamonds (See note)
- tbs. yuzu juice
- 2 tsp. fresh lemon juice
- tsp. ume vinegar
- tsp. sugar
- tsp. salt 1/4
- 1/8 tsp. freshly ground pepper
- tsp. Canola oil

GREMOLATA

- Moroccan oil-cured olives, pitted and thinly slivered, about 2tbs.
- tbs. chives, snipped
- 2 tsp. long red chile pepper, finely minced
- 2-inch x ½-inch strips lemon zest
- 1/3 cup flour
- large egg
- cups panko bread crumbs
- teaspoon kosher salt
- 1/8 teaspoon freshly ground pepper
- (4-oz.) skinless and boneless chicken cutlets, pounded to 1/2-inch thickness Oil for frying

For the salad: Combine the Dandy® radishes, celery and onions in a large bowl and cover with cold water. Refrigerate for 1½ to 2 hours, or until the heat in the radishes and onions is a pleasant bite. Drain, spin dry in a salad spinner, then spread the vegetables on a baking sheet covered with paper towels and blot thoroughly. If not using immediately, return the salad to the dried bowl, cover and refrigerate for up to 4 hours.

Note: To make onion "diamonds," cut 3/4-inch slices from one or two Vidalia onions. Discard the center rings from the slices and halve the remaining rings crosswise. Holding your knife at a 45-degree



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Dandy® fresh-cut celery is available yearround and is processed in our new state-ofthe-art processing facility. Using a proprietary water-jet-cutter, Duda Farm Fresh Foods is one of a select few producers to use this celerycutting system which extends shelf-life and decreases pitting and strings.

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- Celery branches
- Celery straws
- · Celery sticks
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Our fresh-cut celery products give you the opportunity to buy what you need, when you need it due to our consistent availability and year-round supply.

Duda Farm Fresh Foods implements a variety of processes to ensure that the fresh-cut celery you receive has an extended shelf-life.

Product Availability Tips and Techniques

- Dandy® products are 100% usable.
- Celery products available year-round.
- · Eliminates waste.
- · Reduces labor costs.
- Lowers freight and storage costs.
- Select celery with straight, green stalks that are crisp, firm and unblemished.
- · Look for leaves that are fresh, well-colored and not wilted.
- · Keep celery away from ethylene producing fruits. Celery absorbs odors from other commodities, such as apples and onions, and should not be stored near them.
- Always keep product refrigerated until ready to use. Ideal storage temperatures are 32° to 36°F and 90-98 percent relative humidity.
- · Do not store celery uncovered as it will deteriorate quickly.

Unique Attributes

Taste the Difference:

Duda Farm Fresh Foods Inc. is the leader in growing and processing celery. Our experience and dedication to continually improving our product is what sets us apart from other celery growers.

Duda Farm Fresh Foods has an extensive celery breeding program with the world's largest facility devoted to celery research. Over 1.200 new celery lines are developed each year to improve quality, texture and taste. The company currently uses a proprietary "sweeter" variety that has been rated superior in consumer taste

panels and is available in our Dandy® fresh-cut celery products.

Through years of extensive breeding, consumer and marketplace research, Duda Farm Fresh Foods has the capability to grow celery in different regions of the United States, without compromising the sweet taste people enjoy. Duda Farm Fresh Foods is one of only two companies in the United States that utilizes a unique water-iet-cutting technology that eliminates the use of metal blades, ensuring ends are cut smoother and leaving less strings and pits.

angle, cut the slices into diamond-shaped pieces. Reserve the remaining onion for another use.

For the vinaigrette: In a small bowl, combine the yuzu and lemon juices, ume vinegar, sugar, salt and pepper, whisking until the sugar and salt dissolve. Whisk in the oil. Set aside, or refrigerate the dressing for up to 4 hours.

For the Gremolata: Just before frying the chicken, in a small bowl, combine the olives, chives and red pepper. Cut the zest strips diagonally into thin slivers. Add the zest to the other ingredients and toss to combine the gremolata. Cover and refrigerate for up to 30 minutes.

For the chicken: Heat at least two inches of oil to 360°F. in a pot.

Place the flour in a wide, shallow bowl. Beat the egg in a second bowl. In a larger bowl, combine the panko, salt and pepper. One at a time, dredge the chicken cutlets in the flour, then dip in the egg and drain well. Place the cutlet in the panko and press to help it adhere.

Fry the chicken at 350°F. until golden brown outside and cooked through, about 5 minutes, turning it midway. Drain the fried chicken on a baking sheet covered with brown paper.

With a spider, remove any bits of panko from the oil before adding the next cutlet.

To serve: Add the vinaigrette to the cold salad and toss to coat the vegetables. On four dinner plates, mound 1 cup of the salad in the center. Top with a fried chicken cutlet. Sprinkle one-fourth of the gremolata over the chicken and serve immediately.



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Duda Farm Fresh Foods, the global leader in celery innovation, has recently been awarded patents for two new commercial celery varieties developed from more than 12,000 lines to create the best flavor, texture, nutrition and appearance. We have also adopted an innovative DNA "fingerprinting" technology that ensures you're getting what you wants only the tastiest varieties of Dandy" brand celery products. So what's next? Look to Duda Farm Fresh Foods, where fresh ideas keep on coming. For proven marketability, contact us at 866-792-DUDA or dudafresh.com



GRIMMWAY FARMS CARROT CHIPS

Grimmway Farms Carrot Chips - Mongolian Beef with Green Beans



SERVES: 4 - 6

- 21/2 lbs. of Grimmway Carrot Chips
- 2 lbs. of Flank Steak cut into 2" cubes
- 1½ lbs. of Green Beans
- 4 Tbs. of Hoisin Sauce
- 3 Tbs. Soy Sauce
- 3 Tbs. Sake
- 2 Tbs. Corn Starch
- 2 tsp. Sugar
- 4 Tbs. of Peanut or Canola Oil (Peanut Oil is preferred if non-allergic)
- 3 Cloves Garlic, finely chopped
- 2 Slices of Ginger, very finely minced
- 1/4 tsp. Red Pepper Flakes (or more if you like it hotter)
- 1/2 cup of whole roasted, unsalted Cashews (optional)

Mix Soy sauce, Hoisin Sauce, Sake, Cornstarch and Sugar. Add Flank Steak and marinate for at least one hour, or longer if you have time.

Blanch Grimmway Carrots Chips for seven minutes or until tender. Drain.

Blanch Green Beans for five minutes or until tender. Drain. Heat 2 Tbs. of oil in a wok or deep-sided skillet.

When hot, add Garlic, Ginger and Red Pepper Flakes. Mix until very lightly browned. Add in Flank Steak in one layer. Cook Flank Steak until carmelized on the outside and pink in the middle, approximately three minutes per side depending on how thick it is. Remove Flank Steak and Sauce from pan.

If using Cashews, lightly toast the nuts in a dry pan until they release their essential oils. You will smell them when they are ready. Do not over toast.

Add 2 more Tbs. of oil to pan.

Add in Grimmway Carrot Chips and Strings Beans cook for 2 minutes. Add Flank Steak with Sauce.

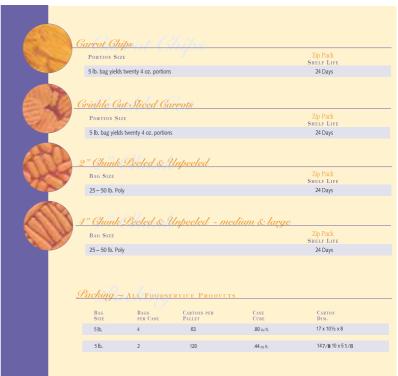
Stir to combine and heat through.

Add Cashews on top, if using.

Serve on heated platter with White Rice on the side.



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Storage and Handling

- Always refrigerate immediately never break the 'cold chain'
- Ideal storage temperature/atmosphere: 32 to 36° F, 98 to 100% relative humidity
- Store away from ethylene-producing fruits (apples, avocados & bananas).
- Whitening of peeled baby carrots is due to natural dryness; a quick ice water bath will freshen and restore color.

the Very Versatile Carrot **Babies** The "Good For You" snack Chips, Great for lunches Sticks & Coins The "Entertainers" High in Vitamin A ✓ Snack 'em or Dip 'em Great for holidays & parties Whole The "Do It Yourself" carrot ✓ Use in stews & soups Adds color to meals Microwavable **Petites** Shredded The "Side Dish Kings" Cooks in minutes The "Salad Maker" Perfect anytime of day ✓ Great as a salad topper Try added to a sandwich A family of Growing companies. 661.845.9435 www.grimmway.com

HOLLANDIA PRODUCE LLC / LIVE GOURMET

LIVE GOURMET LIVING LETTUCE

Fredy's Salad from Sly's Restaurant in Carpinteria with Sly's Sherry Vinegar Dressing



Serves: 4

- 2 heads Live Gourmet Living Butter Lettuce
- 8 large cooked shrimp
- 2 roasted red peppers
- ½ cup cooked green beans
- 2 medium ripe tomatoes
- 4 oz. Roquefort cheese
- 2 ripe Haas avocados
- 8 strips cooked bacon

Optional: chopped Italian Parsley to garnish

Trim the roots off of each Hollandia Living Butter Lettuce. Rinse and shake dry. Cut in half and place each half on a serving plate.

Sly's uses very large shrimp — small bay shrimp would also work well. Cut the shrimp in 1 inch chunks.

Trim the ribs and stem from the roasted red peppers, and cut into large strips.

Cut the cooked green beans into 1-inch pieces. (In a pinch frozen green beans can substitute). Cut the ripe tomatoes into 1 inch chunks.

Toss the shrimp, roasted red peppers, green beans and ripe tomatoes in Sly's sherry vinaigrette dressing. Pour equal portions of the vinaigrette over your four salads.

Crumble the Roquefort cheese in large chunks. Cut the ripe Haas avocados in 1-inch chunks

Warm cooked strips of bacon, and then cut into 1-inch pieces.

Divide equally on top of the four salads. Toss with the chopped parsley to taste.



HOLLANDIA PRODUCE, LLC / LIVE GOURMET PO BOX 1327 CARPINTERIA CA 93014 P: 805-684-4146 F: 805-684-9363

Product Availability

At Hollandia Produce, LLC we grow all of our Live Gourmet Living Lettuces and Living Leafy Greens with category-leading quality assurance and food safety programs. Unmatched product uniformity and stable year-round pricing helps fix your cost and provides a consistent quality for all your signature dishes

Tips and Techniques

- To maximize shelf life, keep refrigerated at 34° to 40°F.
- Rinse thoroughly before use.
- Use the leaves you need from the head of lettuce, setting aside any unused portion with its roots intact and return to its original package and refrigerate.

Unique Attributes

Live Gourmet Living Butter Lettuce stays fresher longer than conventionally grown butter lettuce because it's harvested with its roots intact to promote freshness. Additionally our hydroponically grown butter lettuce provides whole head use as every leaf is protected from our farm to your kitchen in our clamshell packaging.

Live Gourmet Living Butter Lettuce



Live Gourmet Living Butter Lettuce is great for creating your signature salads, wraps, or sandwiches and has received the American Academy of Taste Gold Medal for superior taste. A favorite of white tablecloth establishments, Live Gourmet Living Lettuce and leafy greens are naturally pest-free as we use the same pest control measures organic growers use to limit harmful insects. Best of all, Live Gourmet is sustainably grown in greenhouses where all agricultural elements are reduced, recycled or reused creating high yield with less environmental impacts.

SLY'S SHERRY VINEGAR DRESSING Serves: 4

- 1 medium shallot, finely chopped
- ²/₃ cup Extra Virgin Olive oil
- 2 tbs. aged Sherry vinegar (Not Sherry Wine!)
- 2 tbs. lemon juice Salt and freshly ground black pepper, to taste

Cook finely chopped shallots in the olive oil until golden brown. Let cool.

Whisk in remaining ingredients. Finish with salt and pepper to taste.

Find out more about Sly's at www.slysonline.com



Experience the Difference

FRESHNESS Can Make!



Our products are nurtured in greenhouses in the unique micro-climate of Carpinteria, California and hydroponically-grown using a state-of-the-art NFT system unlike any other in North America.

All our living lettuces and living leafy greens are harvested with their roots intact to preserve freshness and extend shelf life well beyond field-grown products.

Live Gourmet produce is pest-free naturally, thanks to integrated pestmanagement regimens that are designed to limit harmful insects, the same pest-control methods organic growers use.



Our Innovative recyclable packages

Butter Lettuce

protect every delectable leaf from damage while forming a food-safety barrier that promotes a farm-fresh product every time.

Unmatched product uniformity is available year-round and backed by our industry-leading Quality Assurance programs.

Live Gourmet products are **Food Safety** certified by accredited third-party inspection laboratories that verify we meet and exceed all GAP and GMP standards.

Our exceptionally fresh products are merchandised by leading supermarkets, independent grocers and health food stores across America.





Living Upland Cress & Arugula

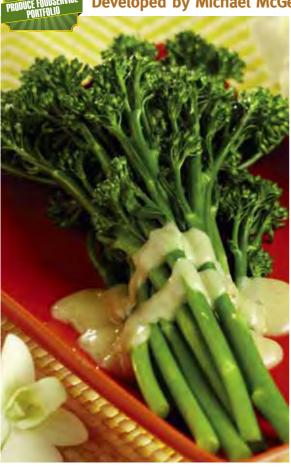


P.O. Box 1327 Carpinteria, CA 93014 (805) 684-4146 www.LiveGourmet.com

Please visit us at booth 212 at PMA Foodservice Conference in Monterey

Broccolini® with Vanilla Butter Sauce

Developed by Michael McGeeney, Executive Chef, Omni Austin Hotel



- 1 pkg. Mann Packing Broccolini®
- 2 oz. olive oil

Serves: 4

- 3 shallots, julienned
- 1/4 cup brown sugar
- 3 tbs. vanilla bean paste
- 1 qt. heavy cream
- 4 oz. butter
 - Salt and pepper, to taste

Blanch* package of Broccolini®.

Heat saucepot on medium; add olive oil. Add shallots when hot; sauté until lightly caramelized. Add brown sugar and vanilla paste; mix well. Add heavy cream; turn heat to low. Reduce by one-third.

Remove from heat; add butter a little at a time. Season to taste. Drizzle over Broccolini®

*Instructions for blanching:

Boil two to six cups of water (depending on size of Broccolini® package) in a large saucepan. Once at a boil, place Broccolini® in the water for one to two minutes. Remove the Broccolini® and strain in a colander. Rinse under cold water or immerse in ice water to stop from cooking further. Strain and pat dry with paper towels.



Mann's Fresh Vegetables 1250 Hansen Street Salinas, CA P: 800-884-MANN (6266) WWW.Veggiesmadeeasy.com

Product Availability

DON'T BE FOOLED: ASK FOR THE ORIGINAL BROCCOLINI®

Culinarians beware; there may be an imposter veggie posing as Broccolini®.

The flavorful and beautiful Broccolini® — a natural hybrid between broccoli and gai lan/Chinese Kale — is a favorite of foodies, with its sweet taste and elegant, brilliant green appearance. Unfortunately, new copy cat vegetable varieties that taste nothing like Broccolini® are hitting the market. Often called "baby broccoli" these copy cats may look like Broccolini®, but don't be fooled. One variety is 75 percent broccoli and only 25 percent gai lan/ Chinese Kale. They taste tough and bitter with no hint of the sweet, peppery taste Broccolini® is known for.

While Broccolini® is sometimes referred to as baby broccoli, the seed variety used to grow it is

genetically different than other varieties (Broccolini® is not genetically modified; it is a natural hybrid). And, there's more to cultivating this item than just planting a seed. For 10 years, Mann Packing — a third generation family farming business and the exclusive supplier of Broccolini® — has worked to develop hand-cultivation practices to create the long, elegant shoots and the hint of sweet, edible, yellow flowers - that's the gai lan characteristic showing through. Baby broccoli doesn't taste like Broccolini®, just as a Pink Lady® apple doesn't taste like a Red Delicious.

Unless you see the Broccolini® name on the tag or package, it is not the original Broccolini® that has become a favorite of so many chefs as well as home cooks.

Broccolini® is available year-round from foodservice distributors, restaurants and grocery stores nationwide.

Tips and Techniques

Broccolini® is a cross between broccoli and Chinese kale grown exclusively by Mann Packing Company Inc. It has a long, slender stem, similar to asparagus, and is topped with small flowering buds that resemble a cross between broccoli florets and an asparagus tip. Its sweet, delicate flavor with a subtle, peppery taste is milder and sweeter when cooked. When eaten raw, the vegetable has a tender, yet crunchy texture. Developed with natural plant breeding methods, Broccolini® is not genetically modified.

It may be blanched, steamed, sautéed, poached, roasted, fried or grilled. Broccolini® is perfect for large catering events or casual dining. Just blanch and serve along with the chosen entrée. Broccolini® pairs well with beef, chicken or fish, holds onto its

bright green color perfectly, and stands alone without extra sauces and seasoning.

Broccolini® adapts to a wide range of cuisine from Asian to Italian to Classic American. Stir-fry Broccolini® with a selection of other fresh vegetables and add a ginger soy sauce for an Asian-inspired, light meal. Dip Broccolini® in a flour-and-beer batter and deep-fry for a delicious and crunchy appetizer. Sauté with olive oil, yellow onions and capers for a flavorful side dish to accompany a favorite entrée. Grill Broccolini® for a smoky, sweet summertime treat; wrap the flower tip in foil to prevent charring.

Preparation tip: Cook al dente, so Broccolini® retains its brilliant green color and crisp texture.

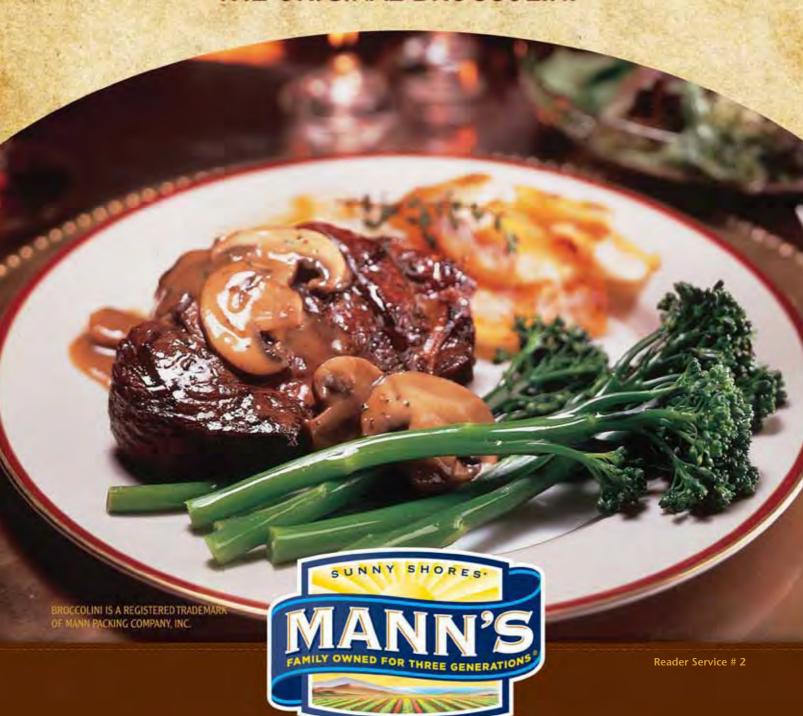
Nutrition Facts

- Good source of vitamin A, folate, iron and potassium
- Excellent source of vitamin C
- 35 calories per 3-oz serving (around five to six stalks)



SWEET, NATURAL GOODNESS

THE ORIGINAL BROCCOLINI®



Grilled Tuna Steak with Onion Mango Salsa Verde and Onion Chickpea Couscous



Serves: 6

Freshly seared tuna steak is complemented by the zesty raw onion Salsa Verde served alongside couscous that incorporates sautéed onions, black olives and cucumber.

SALSA VERDE

- 11/2 cups yellow onions, 1/4-inch dice
- 2 cups mangos, 1/4-inch dice
- ½ cup red peppers, ¼-inch dice
- 1/8 cup seeded jalapeno peppers, finely minced
- 2 tbs. cilantro, finely minced
- 2 tbs. fresh lime juice
- 1 tbs.sugar
- 3/4 tsp. salt
- ¼ tsp. freshly ground black pepper

couscous

- ¼ cup olive oil
- 3 cups yellow onions, ¹/₄-inch dice
- 11/2 cups cooked chickpeas
- 2 cups water
- 11/2 cups couscous
- ½ cup seeded cucumber, ¼-inch diced,
- ½ cup small black olives, halved
- ½ tsp. salt
- 1/4 tsp. freshly ground black pepper
- 1 tbs. fresh lime juice

TUNA

- 6 (6-oz.) tuna steaks
- ½ tsp. salt
- 1/4 tsp. freshly ground black pepper

For the Salsa Verde: Combine all ingredients in a large bowl. Cover and refrigerate for 2 hours.

For the Couscous: Pour oil into a large heavy skillet over medium heat. Add onions and cook for 20 minutes, until very tender and golden brown. Add chickpeas and water and bring to a boil. Stir in couscous, cover and turn off



RIVER POINT FARMS
115 W. HERMISTON AVENUE, SUITE 240
HERMISTON, OR 97838
P: 541-567-4781
WWW.RIVERPOINTFARMS.COM

Product Availability

River Point Farms provides a year-round solution to customers seeking farm fresh, high quality, ready-to-use onions. By contracting and selling products before we plant seed in the ground, we are able to stabilize our customers' costs.

River Point Farms will grow approximately 500 million pounds of red, white, yellow and sweet onions this year. We offer several options to customers seeking a farm fresh, high quality onion provider:

- Whole onions
- Rings and slabs
- PrimeSlice™
- Diced

- Whole peeled onions
- Half rings
- Petal Cut

Tips and Techniques

- River Point Farms' fresh-cut, whole peeled onion packages are 100 percent usable.
- Ideal cooling temperatures for whole peeled onions are between 35° and 40°F.
- Slice and dice topped and tailed onions to meet your specifications.
- Fresh-cut onions should always be refrigerated.
- Once opened, fresh-cut onions should be stored in an air-tight, sealed storage bag.

Unique Attributes

Save on time, money and waste with River Point Farms' fresh-cut onion solutions. Our vertically integrated business model provides customers with a reliable, year-round solution for farm-fresh and ready-to-use onions. Unlike other onion processors, River Point Farms' onions are grown on our very own farms where we cultivate proprietary seed varieties that produce high, restaurant-quality flavor. Best of all, we take the labor and mess out of cutting onions providing you with a 100 percent usable and ready to cook product.

FARM FRESH – River Point Farms' domestic onions are grown in the rich soil of the Columbia Basin region of Eastern Oregon and Washington, an area noted for the best onion soil and climate in the world. This, coupled with our proprietary seed varieties, give us an edge above other onion growers.

SINGLE SOURCE – River Point Farms' product packaging solutions are available year-round and include customized packs for our valued foodservice and industrial ingredient customers. Our onion quality is guaranteed on delivery.

READY TO USE – River Point Farms onions are 100 percent usable. Whole peeled onions arrive in 25 pound packages topped, tailed, washed and sanitarily packed. There are no messy skins to dispose of, so kitchen processing areas remain clean, safe and free of dirt and bacteria.

heat. Let stand for 15 minutes.

Fluff couscous with a fork, and then stir in cucumber and black olives. Season with salt, pepper and lime juice and mix well.

For the Tuna: Just before grilling, sprinkle the steaks with salt and pepper. Grill over a medium-high fire 6-7 minutes, turning midway, until cooked to desired doneness.

Serve: On six dinner plates, mound about 1 cup of the couscous off-center. Place a grilled tuna steak alongside, and scoop one-sixth of the Salsa Verde over the tuna. Serve immediately.

Onions are a hot commodity.

Are you stocked and ready for business?



We honor contract commitments.

Lock in your reliable onion supply today.

River Point Farms is America's largest onion producer providing customers with a stable and consistent supply of onions year-round. If your company is seeking a high quality product from a reliable source, we are ready to be your solution.

Call today to secure your annual onion needs.



Farm fresh. Ready-to-use. Single source.

www.RiverPointFarms.com | 541-567-4781 | Carly Kwak, Sales Manager

Promotion Ideas for Foodservice Operators

- Indicate how many cups of fruits and vegetables your menu items have, such as: "Contains I cup of fruits and veggies."
- Add a place on your salad bar for "new and different" fruits and vegetables for your customers to try.
- Fruits and vegetables are excellent sources of phytonutrients that are responsible for the protective effect seen with these foods. The phytonutrients in foods are associated with their pigments. By offering fruits and vegetables in a wide assortment of colors to your customers, you are helping them to get the phytonutrients they need to feel good and prevent disease.

Feature a specific color of fruit or vegetable each day of the week:

Monday: RED-such as tomatoes, strawberries, watermelon, apples & grapes

Tuesday: BLUE/PURPLE—such as blueberries, purple cabbage,

eggplant & blue potatoes

Wednesday: YELLOW/ORANGE-such as peaches, carrots, oranges,

apricots & sweet corn

Thursday: GREEN-such as artichokes, asparagus, avocados,

broccoli, lettuces, grapes & pears

Friday: WHITE/TAN-such as bananas, potatoes, mushrooms,

onions, garlic & cauliflower

Participation for Families and Kids

- Make eating fruits and veggies fun. Decorate dishes with faces or figures made from fruits and veggies.
- Create a kid's coloring and activity sheet that doubles as a placemat and incorporates the Fruits & Veggie—More Matters message.
- Give sets of stickers and cards to kids that they can use to track their fruit and veggie consumption at home.
- Add fruits and veggies to your kid's menu--100% juice (boxes), fresh fruit, applesauce, canned fruit cocktail, and raisin boxes.

Foundation

Get Your Staff Involved

- Offer tastings of fruit and vegetable dishes.
- Encourage staff to wear Fruit & Veggie-More Matters buttons
- Run a contest to reward those who sell the most fruit and vegetable menu items.



Learn more about PBH at www.pbhfoundation.org Learn more about Fruits & Veggies—More Matters at www.fruitsandveggiesmorematters.org

Promotion Ideas for Foodservice Operators

Generate Publicity

- Consider partnering with a local supermarket or shopping mall to create a fruit and veggie recipe that will be featured in your restaurant.
- Sponsor a nutrition event and invite your local media.
- Participate in the Fruit & Veggie— More Matters Excellence Awards to share your efforts and successes with others.

Celebrate National Fruits & Veggies—More Matters Month in September

Offer brochures or fact sheets, put out table tents, build fruit and vegetable displays, and decorate your facilities with Fruits & Veggies—More Matters posters, balloons, and/or fruit and vegetable crepe ornaments. You can order Fruit & Veggie—More Matters materials at www.pbhfoundation.org

Ideas for Licensed FVMM Foodservice Members

(Contact Produce for Better Health Foundation for more information on licensing)

- Print the Fruit & Veggies—More Matters logo and message on tray liners or napkins.
- Put the Fruit & Veggies—More Matters logo in the window of your establishment.
- Put the Fruit & Veggies—More Matters logo next to menu items that meet the Fruits & Veggies— More Matters recipe criteria.





Your Call-to-Action: Be a PBH Donor

PBH is leading the effort to a healthier America by promoting increased fruit and vegetable consumption . . . working alongside government agencies, non-profit organizations, and members of the fruit and vegetable industry.

PBH donors are over 400 strong and counting; together we are dedicated to increasing fruit and vegetable consumption, in all forms, and supporting the Fruits & Veggies—More Matters® national public health initiative.

Join other top industry leaders and government agencies:

- Growers, Shippers, and Processors who want to see healthy Americans consuming fruits and vegetables.
- · Employers who want healthier employees.
- Industry Associations who seek partnerships promoting the fruit and vegetable industry.
- Supermarket Retailers who want to increase sales in the profitable produce department.
- Insurance Companies who want to see the number of nutrition-related diseases reduced.
- Government Agencies who want to see a healthier America.
- Foodservice operators who want to cater to guests' demands for healthier menu items.

Be part of this growing movement

to improve the health of all Americans. Encourage your company to support our efforts to increase the consumption of fruits and vegetables by joining PBH today!



©2010 Produce for Better Health Foundation 1193-0510 (Produce Business - July) For more information on becoming a donor, contact Toni Eaton, Production Manager, teaton@pbhfoundation.org or 302-235-2329, Ext. 316.

www.FruitsAndVeggiesMoreMatters.org

Produce for Better Health Foundation 302,235,2329 • www.pbhfoundation.org

Chilean Fruit Reputation Gives Boost To Citrus

Chilean navel orange imports have built on the success of previous Chilean import commodities and enter their second season with great promise for growers, shippers and retailers alike.

BY BRYANT WYNES

Seems the new kid on the block always has to prove himself.

Perhaps rightly so. But in the case of Chilean citrus, a well-earned reputation for quality and value built over the past few years on the shoulders of Clementines and lemons, not to mention other Chilean fresh fruit commodities, is serving as an umbrella of sorts, helping Navel oranges, the latest Chilean entry into the U.S. market, build followers.

As one retailer put it, "Navels from Chile were

Navel imports from Chile in 2009, the commodity's first year in the United States, totaled approximately 800,000 boxes.

new last year; they still have to prove themselves. But based on the job done with Clementines and other Chilean fruit, there's no reason to doubt whether the quality and consistency will be there."

A LITTLE HISTORY

In 2002, a Free Trade Agreement (FTA) between the United States and Chile opened the door for greater access by each country to the other. U.S. fresh citrus gained preferential access to Chile, as 6 percent tariffs were immediately eliminated.

Lemons and Clementines were the first Chilean citrus products to appear in U.S. supermarkets, and are still considered the Chilean citrus import leaders. "Clementines began showing up four years ago," notes Tom Tjerandsen, managing director, North America of the Chilean Fresh Fruit Association (CFFA). "They exploded and are now a mainstay item." Tjerandsen says that 2007/2008 and 2008/2009 Clementine imports accounted for 2.5 million and 3.25 million boxes, respectively.

Then, in 2009, Chile exported Navels to the United States for the first time. "I think everyone was a little uncertain of what would happen," admits Tjerandsen. The 2009 Navel imports from Chile totaled approximately 800,000 boxes. "No doubt we'll eclipse that number this year," he adds.

Future shipments of Navels from Chile are expected to account for 25 percent of orange imports by the United States.

SEASONAL GAPS ARE A THING OF THE PAST

As with grapes and stonefruit, citrus from Chile is counter-seasonal with most U.S. grown fruit. Clementines come into the market in late May and last through September; Navels follow in June and July, just as California oranges are wrapping up, and are expected to ship through October. The "Pricing was good, but most of all, our retailers were happy with the color and the quality of the product. We're certainly planning to look at Chilean citrus again this year."

— Gary Myracle Associated Wholesale Grocers

end result is that Chile has helped to make year-round citrus category promotions feasible, especially with its accompanying export volume increases of Clementines, lemons, tangelos and tangerines.

Craig Uchizono, vice president of Southern Hemisphere for Los Angeles, CA-based The Giumarra Companies, a company that is getting involved with Chilean Navel this year, joked that consumers may soon forget that there once was a seasonality to fresh citrus. "I think that the number one thing that retailers should do is to simply let their customers know that these are available right now," he says. "These Chilean Navels and Clementines are going to be a great taste treat not normally available this time of year."

Which poses the question: Should retailers focus on the fact that the product is from Chile? Uchizono believes that the decision is up to the retailers. "There certainly would be nothing negative about identifying the country of origin as Chile," he notes. "The product is excellent. It is picked and packed according to the highest standards by growers who follow proper protocols."

CFFA's Tjerandsen discloses that his organization is there to help as needed. "Our mission is to provide a generic umbrella to assist all 70 varieties of Chilean fresh fruit sell."

TRADITIONAL SUMMER FRUIT COMPETITION

Gary Myracle, executive director of produce field procurement for Kansas



The positive reputation of Chilean lemons has helped pave the way for other Chilean citrus commodities to enter into the United States.

City, KS- based Associated Wholesale Grocers Inc., reports that AWG purchased Chilean navels last year and was very satisfied with the program. He adds that, for his company, pricing was a little better than Navels out of Australia or South Africa because of lower freight charges. "Pricing was good, but most of all, our retailers were happy with the color and the quality of the product," he details. "We're certainly planning to look at Chilean citrus again this year."

The challenge, according to Myracle, is that summer citrus is competing against so many other seasonal produce items at retail. "In our markets, summer promotions are typically focused on stonefruit, berries, melons and locally grown vegetables," he explains. "With all of that going on, citrus takes a back seat."

Uchizono is quick to point out that this is precisely the benefit to retailers. "Good retail promotions with Chilean citrus will lead to more rings. That's the goal — more rings!" He believes a strong retail promotion should include a display right at the

front of the department. "I'd want my customers to be surprised with a summer citrus promotion — to see the freshness and quality for themselves."

ASOEX SUPPORT FOR FUTURE GROWTH

Not content to simply rest on reputation, the Association of Exporters of Chile (ASOEX) has created the Chilean Citrus Committee. Their principal objective is to increase the competitiveness of fresh Chilean produce in international markets. According to Fernando Balart, marketing coordinator with ASOEX, the committee's first challenge will be the development of a research study to identify the main parameters of the U.S. market. "The committee has already been formed and have begun their initial activities," reports Balart. "Though in the early stages of their work, the intent is to analyze the feasibility of implementing a promotional plan specifically for Chilean citrus." He adds that they anticipate preliminary results of the study by this coming August.

Marketing To Kids

Fun merchandising techniques and creative in-store programs will get kids' and parents' attention when it comes to buying healthful snacks.

BY CAROL BAREUTHER, RD

The fight against childhood obesity got a shot in the arm in February when First Lady Michelle Obama announced her Let's Move campaign, a number of initiatives that focus on nutrition and exercise and are designed to create a healthier generation.

> This is definitely a battle worth waging. The number of overweight kids ages 6 to 19 has tripled since 1970, according to a 2007 study published in the New England Journal of Medicine.

> At the same time, results of the Hockessin, DEbased Produce for Better Health Foundation's (PBH) fourth annual Gen X Moms' Attitudes and Beliefs Related to Fruit & Vegetable Consumption 2006-2009 study reveals that fruit intake was down 12 percent and vegetables down 6 percent, compared to 2008. The good news is that in spite of the economic downturn, the reported 2.38 servings of fruit and 2.32 servings of vegetables families consumed on average in 2009 are higher than those reported in 2007, although still far from the USDA's 2005 Dietary Guidelines for Americans recommendations of up to 13 daily servings of fruits and vegetables.

> The produce industry has its work cut out. It also has an incredible opportunity to market to today and tomorrow's consumers: moms and kids.



Disney Garden-branded Foodles appeal to kids with a Mickey Mouseshaped tray that holds kid-friendly foods such as pretzels, fruit and raisins.

Mike O'Brien, vice president of produce for Schnuck Market's Inc., a chain in St. Louis, MO, speaking of the national media attention given to Let's Move, says, "Anytime the spotlight shines on healthful eating, it is good for the produce industry."

KID-FRIENDLY FOODS

What does it take to market fresh fruits and vegetables to kids? A good tasting product and, well, thinking like a kid! Sharon Blakely, food and nutrition supervisor for Save Mart Supermarkets, a Modesto, CA-based chain, reminds, "You have to remember that kids eat food, not nutrients."

A different marketing strategy is needed to reach kids versus parents. Ernst Van Eeghen, director of new product development and marketing at Salinas, CA-based Church Brothers LLC., which markets a variety of fresh vegetable products under the Disney Garden label, says, "For example, if you tell kids to eat something because it's good for them, it just won't work. You have to make it fun. That's where characters come in. Mickey is cool. Kids recognize him. If Mickey gives his thumbs-up to something, it must be okay and kids are more willing to try it."

Cool characters and catchy names really do entice kids to eat more fruits and vegetables. A 2009 study published by Cornell University's Food & Brand Lab revealed that when 186 four-year-olds were served carrots for lunch that were called X-ray Vision Carrots they ate nearly twice as much as on days when these were just labeled 'carrots'. What's more, researchers found that catchy names had staying power. The young children continued to eat about 50 percent more carrots even on the days when they were no longer labeled.

On the other hand, notes Van Eeghen, "Parents need clear insights and ideas about the health benefits of a food. They also need tips about how to get their kids engaged with fresh produce. It's okay for kids to play with their food, whether it's during the cooking or snacking process. This is the kind of messaging we put on our packaging."

Convenience is another big purchase-driver. The consumer packaged goods industry has known this for years, tempting kids with single-serve bags of cookies and chips, for example, and providing moms with an easy snack solution.

Dino DiLaudo, a sales associate at Westmoreland Sales, in Leamington, ON, Canada, says, "We think it's important to make healthful snack options available to kids. It gives parents options and puts fresh vegetables on a level playing field with other snack items." Last year, the company partnered with NY-based Nickelodeon in a licensing agreement to use characters such as SpongeBob SquarePants, Dora the Explorer and Diego of Go Diego on snack-sized packages of mini cucumbers and tomatoes.

Sliced apples are another popular and convenient fresh-cut produce item kids enjoy, says Tony Freytag, director of marketing for Crunch Pak LLC, in Cashmere, WA. "Many school-aged kids are missing their front teeth or have braces that make whole apples hard to eat." He adds, "We continue to see strong growth in the small snack size packs. Snack packs, as opposed to larger packs, also encourage trial by consumers who might not have tried the product in the past. The downside is the trading down people might do if only snack size packs were offered. It is always a balance."

The U.S. Department of Agriculture purchased over \$4 million in fresh-cut sliced apples for national school lunch programs last year. Freytag expects this, and the company's launch of its Burger King-branded Apple Fries – peeled apples cut into French fry shape - in more than 10,000 supermarkets nationwide will have a positive effect at retail. "I think we're getting to the point where kids will recognize the product from trying it at school or at Burger King and ask their parents to buy it for them at the grocery store," he explains.

PLAYFUL DISPLAYS

Kids may not be the primary shopper, but they do have valuable influence on the types of products parents purchase. Melinda Goodman, director of marketing for Imagination Farms LLC, in Indianapolis, IN, says, "We need to provide more healthful products like fruits and vegetables and focus on making them specifically for kids. This will create more merchandising opportunities for retailers to develop comprehensive kidspecific sections."

There are lots of kid-friendly produce items to choose from at Publix Super Markets Inc., a Lakeland, FL-based chain. Maria Brous, director of media and community relations, says, "We offer a wide-range of products for our customers to choose from in our produce departments such as convenient snack packs of apples, apples and

"If you tell kids to eat something because it's good for them, it just won't work. You have to make it fun. That's where characters come in. If Mickey gives his thumbs-up to something, it must be okay and kids are more willing to try it." — Ernst Van Eeghen Church **Brothers LLC**

grapes, carrots and dip, snack packs that contain apple or orange juice, grapes and other fruits depending on season."

Crunch Pak's Freytag points out, "Many retailers have created a snacking set within the produce department. Within this, we've seen sliced apples become a destination of their own as retailers find this category a bigger piece of their business." Crunch Pak markets a variety of sliced apple products from single-serve to family-sized packs as well as clamshells holding multiple singleserve packages and snack-sized trays that combine apples with other foods such as caramel, cheese, pretzels and peanut butter.

Beyond apples, Church Brothers' Van Eeghen says, "Some retailers have built snack sets with a number of items while others offer smaller sets of perhaps a dozen or so products. Either way, ideally, a percentage of these items should be specifically for kids. Use point-of-sale materials such as shelf strips underlining the kid-friendly products to call attention to them and danglers because they are playful."

In order to make kid-friendly products easier for kids and moms to see, Church Brothers has recently introduced a cardboard display tray that holds a box of eight Disney Garden-branded Foodles in the upright position on the shelf. Foodles are a line of value-added fruits and vegetables paired with other items such as dips, raisins. cheese or crackers in a colorful Mickeyshaped tray.

Regarding the Disney Garden brand, Goodman says, "We need to create environments that allow the brand to stand out and get noticed among the multitude of products on shelves. Ways to accomplish this are through large displays, unique merchandising, pointof-sale and cross-merchandising opportunities." She adds, "A great opportunity to leverage the power of the Disney brand is through cross-merchandising Disney Garden items with a Disney DVD release. We have worked with Walt Disney Studios & Home Entertainment to provide promotions that include an in-store consumer offer to buy the DVD and get a Disney Garden product free. This crossmerchandising opportunity creates a natural tie to wholesome family entertainment paired with healthful snack alternatives."

Save Mart's Blakely would like to see kidfriendly merchandising taken one step further. "I'd eventually like to see us have a produce counter that is set at a lower, kidfriendly height. This would allow for great food theater with displays of produce with cute tangerines, pluots and apple pears. There could be a poster in front and in-store activities, like reading, at the display."

PRODUCE DEPARTMENT AS PLAYGROUND

Save Mart Supermarkets hosts Super Kids Saturdays, a two-hour, in-store activity held at select stores that features activities such as sampling fresh produce, meeting farmers and participating in a cooking or other food-related activity.

Last fall, Bashas' Inc., a chain headquartered in Chandler, AZ, hosted an indoor-outdoor festival that featured many locally grown products such as tomatoes, melons, citrus and lettuce. As part of this, says Barbara Ruhs, MS, RD, LDN, the chain's corporate dietitian, "We set up a station outside where kids could paint their own pumpkins. In-store, kids could trick-or-treat through all the departments, including produce."

Ruhs also provides healthful eating information to kids and adults alike via Bashas' Health Styles newsletter, which is distributed in-store. "I was looking for a way to get greater pick up by shoppers," explains Ruhs. "So this past fall, I decided to work with vendors and include manufacturer's coupons. Starting with the September/October issue, I also decided to feature some type of produce on the cover. I check with our produce guys to see what is in season for each newsletter." A recipe for Grilled Hawaiian Luau Chicken or Shrimp Skewers, which calls for fresh pineapple, a red and green bell pepper, red onion, cilantro and cherry tomatoes, was featured on the cover of the September/October 2009 issue along with a \$1-off coupon for the purchase of two mesh packs of Desert Glory Nature Sweet vine-ripe tomatoes. Each Bashas' Health Styles newsletter includes a Bashas' Supermarket School House kid's page, which includes jokes, fun facts, word finds, puzzles and games.

A kid's page is also a feature of the bimonthly HealthCents newsletter offered to customers at Redner's Markets Inc., a 38store chain based in West Lawn, PA. Meredith Mensinger, RD, LDN, corporate dietitian, says, "The kid's pages center around fresh produce. For example, one issue was all about pears - fun facts, simple preparation techniques and a recipe for Pear Kabobs with Strawberry Dipping Sauce."

Many retailers market to kids and families as part of their participation in Produce for Kids (PFK), an Orlando, FL-based cause marketing organization that works with the produce industry to promote healthful eating for kids and raises funds for non-profit organizations such as the Children's Miracle Network (CMN) and PBS KIDS. Publix's Brous says, "For the past several years, we've partnered with Produce for Kids to teach children and families the importance of fruits and vegetables in their diets. The designated events take place in June, during our CMN campaign, and again in the fall with back-to-school. Essentially, we've created in-store events that encourage child/parent involvement, from word finds to cross word puzzles and even kids' cooking demonstrations at our Apron's Simple Meals kiosks. The idea is to get the kids interested in learning the benefits of a healthful diet in a fun way."

There is also an in-store cooking club at Price Chopper Supermarkets, a chain headquartered in Schenectady, NY. Kari Volyn, PFK communications director, says, "Price Chopper recently hired a new chef specifically to do kids' cooking. We will be partnering with Price Chopper on the kids' cooking program this year, using it as an additional opportunity to promote participating sponsors' products."

Last fall, PFK and PBS Kids joined forces for the second year in a row on the multifaceted Eat Smart for a Great Start campaign. Five retailers - Publix, Meijer, Kroger's Delta division, Price Chopper and GIANT Foods' Carlisle division - participated. The in-store portion of this marketing campaign included point-of-sale material that educated shoppers about healthful eating and drove them online to PFK's Web site for additional healthful eating information and recipes using sponsors' products. The campaign's messages were also communicated through advertising in the participating retailer's circulars, announcements on

in-store radio, public relations activities and Internet marketing activities that featured online games and activities for kids as well as resources for parents and teachers.

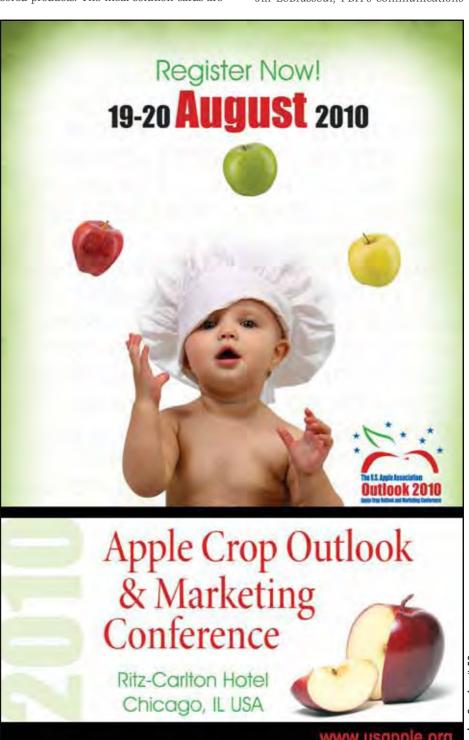
"This year," says Volyn, "our consumer research showed that moms want information about healthful cooking in the produce department. As a result, we are expanding our program to feature a healthful meal solutions program merchandised in-store on recipe-sized cards a well as online. The cards contain fast, easy tips for shopping and assembling healthful meals using sponsored products. The meal solution cards are

based on a complete meal, including an entree, side dish and beverage, and meet the USDA dietary guidelines."

INCLUDING THE LOCAL AND CYBER COMMUNITY

A great opportunity for retailers is to work with local schools to provide store tours, says Imagination Farm's Goodman. "The store tours provide valuable education about different types of fruits and vegetables, how to select and store fruits and vegetables and the importance of healthful eating."

Jill LeBrasseur, PBH's communications















MEXICO - YOUR SOURCE FOR QUALITY GREENHOUSE PRODUCTS

Budding from just around 1482 acres in 1999, the Mexican Protected Horticulture (greenhouse) industry has made great strides now boasting over 24,000 acres of protected production and becoming a significant supplier of high quality produce items. Growers of protected horticulture employ some of the most advanced technologies and production practices available to provide safe, high quality and sustainable products to the marketplace.

The Protected Horticulture industry in Mexico is made up of growers using covered crop technologies that vary from passive to semi-active and active greenhouse technologies. These technologies are used to control weather variables like temperature, air humidity, radiation, and CO2 levels, as well as protect from pests, cold fronts, precipitation (rain, hail etc), plant disease, and high winds.

The advantages of using protected technologies results in better yields, higher percentages of export quality crops, extended production windows, sustainable practices and a cleaner and safer product. These production technologies have much higher controls and promote a contamination-free envi-

ronment during the production cycle, allowing for higher food safety and security standards. Additionally, all resources are used in a more efficient manner so a great quantity of high quality items can be produced with the use of less land and water, making it an environmental friendly industry.

Presently, Mexico is divided into five production regions encompassing 25 states. By combining the production timeframes, these states provide year-round supply to the U.S. The Northeastern part of Mexico supplies produce from late October to early June. Areas in the Central Pacific Coast have a similar supply time frame but some states can run a year round program.

The Mexican protected industry's active and successful association AMHPAC (Association of Mexico and Mexico's National Association of Protected Horticulture) represents 200 growers. Members are involved in the production, packaging, distribution and marketing of fresh produce grown under greenhouses and other covered structures from 25 of the 32 states in Mexico.

The best and most responsible growers are well integrated in the organization and are responsible for 70% of Mexico's horticulture exports to the U.S. and Canada. The association's members represent a combined production area of 11,362 acres with an annual output of 900,000 tons (35% of the total production). Greenhouses account for 68% of the production and net or shadehouses are 32%.



MEXICO'S PROTECTED HORTICULTURE QUICK FACTS

- 24,600 acres are under Protected Horticulture in Mexico.
- Greenhouses accounts for 44% of acreage in Mexico. 51% is shadehouse.
- 79% of greenhouses are semi or active GH's. Yield ranges from 65 tons/acre for passive GH up to 243 tons/acre for active GH.
- Protected Horticulture sustains 100,000 direct jobs and 250,000 indirect jobs in Mexico.
- Mexico's protected horticulture exports 90% of its production to the U.S., 8% to Canada and the rest to Europe and Japan.
- In 2008-2009 Mexico exported 515.7 thousand tons of tomatoes to the U.S.

INSIGHT FROM MEXICO

An interview with Eric Viramontes, Chief Executive Officer of the Greenhouse Growers Association of Mexico and Mexico's National Association of Protected Horticulture (AMHPAC))

Q: What steps is your industry taking to prepare for the future?

A: By being part of the greenhouse industry today, we must recognize that we are not alone, and that we are part of a complex chain within a global market. Since our individual actions can affect this entire industry in a positive or negative way, the added value that we seek must be in working together as an organization.

AMHPAC takes a leadership and proactive role in order to reach a common goal for our produce distribution chain: To minimize food safety risk for consumers while enhancing sustainability for our industry. Today our growers are working on a plan that could result in a universal food safety, security and quality standard for the greenhouse industry, pursuing the goal of increasing food safety practices throughout the distribution chain.

Also we want to support consumer education programs that will distribute helpful information on practices that can be carried out to keep the produce clean and families healthy.

Q: What are the most unique or innovative products coming out of your industry currently?

A: The main products from Mexican Protected Horticulture are tomatoes, bell peppers, hot peppers, lettuce and cucumbers. Other products include eggplants, melons, and some specialties. But the fact remains that using protected agriculture practices and with the great diversity of climates Mexico has, there is no product that can't be grown. So, our growers are open to exploring any niche, Asian, or exotic product that a clients may require. Many of our members already have programs on such items.

Q: What advances are you implementing in the areas of food safety or sustainability?

A: Mexico's protected horticulture is a key supplier of produce to the U.S. (\$600 million). Our organization is aware that we have a significant contribution to make to address numerous safety, quality and sustainability issues. Food safety, security and quality are no longer an individual effort - The entire supply chain is accountable!

AMHPAC has taken the initiative to implement a strategy for the development of our industry by raising the bar of performance for all our members in several areas, including technological resources, marketing, food safety, security and quality.

On February 6, 2009, we formally launched an initiative called "Quality and Food Safety Program for Mexico's Protected Horticulture". The program is built on the commitment of the Mexican protected horticulture industry affiliated to AMHPAC to:

- Provide the highest assurance of quality and safe products.
- Meet or exceed all federal mandated food safety, security and quality standards in the main markets
- · Promote social and environmental practices within our membership,
- Adopt food defense policies, and
- Be certified by a recognized, third-party, independent certification body.

Q: What can buyers do to better source products from your exporters?

A: AMHPAC is an organization made up of the best grower/shippers in Mexico. If you need a supplier, we would highly recommend you to talk to any of our members. Also, AMHPAC is the perfect way to check out a supplier that you intend to work with. You can become an associate member of our organization; we will be glad and honored to help you achieve successful business operations in our industry. Please allow us to help you.

FOR MORE INFORMATION on the Mexican Protected Agriculture industry:

AMHPAC

ASOCIACIÓN MEXICANA DE HORTICULTURA PROTEGIDA A.C.

JUAN CARRASCO No. 787 Nte.
Col. Centro. CP 80000 • Culiacán. Sinaloa. México

Email: eric.v@amhpac.org & karina@amhpac.org

www.amhpac.org

For more information on trade and business opportunities with Mexico: Agricultural Office at the Embassy of Mexico

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Agricultural Attache

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Redner's Markets set up a mock supermarket, including a produce department, in the cafeteria of a local middle school to show girl scouts how to shop healthfully.

specialist, says, "Our Take Your Kids to the Supermarket promotion and Supermarket School Tour information are great ways to get kids and parents into the store and talking about proper nutrition, including healthful fruits and vegetables."

In addition to school tours, Publix's Brous says, "Many of our stores participate in a report card program where students can bring in their report card and receive food rewards for their good grades. For instance,

they can choose a bag of apples."

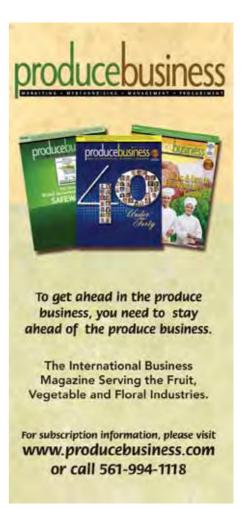
Save Mart Supermarkets provides free coupons for apples or bananas to school-children, notes Blakely. "Schools hand them out as an incentive for attendance or for participation in a reading program. It puts a whole new mindset on fresh produce. Instead of 'I have to' its 'I get to' with the coupon. Last year, we handed out over 100,000 and had a redemption rate of 8 to 10 percent."

Further afield, supermarket dietitians work with community groups to teach good nutrition to kids. For example, this winter, Redner's Mensinger set up a mock supermarket, including a produce department, in the cafeteria of a local middle school and showed more than 150 girl scouts how to shop healthfully and economically."

Meijer, a Walker, MI-based chain, educates families in its communities through several outreach initiatives as part of its PFK participation. One of these includes the Meijer/WOTV 4 Park Parties that attract over 30,000 Michigan residents. Meijer's Healthy Living team of Registered Dietitians staff the events and distribute nutrition information, sponsors coupons and healthful fresh produce snacks.

Bashas' Ruhs reaches out into the cyber community to a following of customers and other fans on Twitter. "Educational tweeting has become popular, especially for busy moms," she says. "I'll send out fun 'Did you knows?' For example, I tweeted last week about pistachios being a healthful treat. Also, I tweeted that pomegranate juice is loaded with vitamin C. It's a great way to connect with customers and provide information they want."



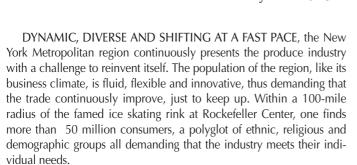




New York Observations

The demand for excellence and service reverberates throughout the supply chain.

By MIRA SLOTT



The cry goes out: more products, more services, done better. It behooves companies to broaden product offerings and services; it behooves others to specialize in niche markets — everyone in the industry is pressured to operate with increased efficiency and lowered costs — yet the need to nurture those all valuable relationships up and down the supply chain seems to increase every day.

In this day and age, competitors are often customers, thus adding a new twist to the challenge of conducting business in the Gotham of the 21st century. Although companies compete aggressively with one another, all are aware that the "network effect" of being in the largest purchasing zone in the country enriches all. In the end, the fates of competitors with wildly varying business models hinge on both the overall prosperity of the region and communal efforts to increase the efficiency of the produce eco-system in Greater New York.

Whether produce is typically procured directly for one of the major supermarkets, through the various distributors and wholesalers on or off the Hunts Point or Brooklyn Terminal Markets, or through brokers and other service providers in the region, the interdependence between industry sectors is pronounced and the ability of the entire market to absorb the fruit of the earth's producers underlies the unique strength and vibrancy of the industry in the New

Personal relationships have always been the intangible currency of successful businessmen and women, and in the New York regional produce market, this is also evident. Careers change; companies change; consumers change. There is increased use of every modern technology, but one of the constants in the produce industry is the high level of verbal communication that still exists, the pervasiveness of the telephone and even the frequency of face-to-face interactions are astounding.

E-mail, texting, video conferencing, personal meetings, etc., are all



commonplace, yet the produce industry remains abuzz with the phone ringing. A person handling the sales desk at a wholesaler in Hunts Point might be on the phone with three or four people simultaneously, but not in conference. On one line might be a chain or independent store buyer looking for a fill-in item; on another phone might be trucker giving the latest ETA of the item, while still another line might be the shipper looking for market information on the next load. Cell phones keep the communication going 24/7.

This constant communication between players makes the community of produce buyers, sellers and people in between a highly efficient market, and the size of the market increases the number of inputs. This means the information available is more sensitive and accurate than in markets with fewer players, yet it also means that only true experts can filter out the noise.

It is more than a challenge, and the successful players are virtuosos with information, utilizing that skill to feed the masses while positioning the highly perishable product in a way that lets growers make a living. It looks easy, but knowing which sizes, grades and varieties can make it in the Dominican bodegas and which will thrive in Korean markets and then making sure the right product is sold to the right people and positioned where it needs to be when it needs to be there — well, as the song goes, "If you can make it there, you'll make it anywhere."

"Consumers don't understand the complexities, costs and demands of the industry," says "Produce Pete" Napolitano, a former retailer, who appears on the local NBC station's Weekend Today in New York show and is the spokesperson for Pathmark Supermarkets when not working as a buyer for S. Katzman Produce in the Bronx.

When he showcases an item on television, or when The New York Times praises a produce item, or the Food Network showcases a produce "secret ingredient," consumer demand often skyrockets, and retail stores can be caught off guard when consumers flock to the stores. Making sure they don't encounter empty shelves is an enormous challenge. Obviously, other regions also can get hit by unexpected demand for particular items, but New York consumers are a demanding bunch.

The phrase "a New York minute" describes the very slight amount of slack New York consumers are prepared to cut their markets. This demand for excellence and service reverberates throughout the supply chain. Understanding the complexities of supply and demand requires a tremendous amount of expertise in the New York produce market, so



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new york **market** profile

more and more business goes to the firms with seasoned, knowledgeable staff, who not only know the market conditions, but have the resources in facilities, people and connections to get produce to the stores when many obstacles are in the way.

"We've diversified our product line and broadened our marketing range to meet the changing needs of our customers, but we hold tight to our heritage, our core expertise and identity," says Paul Auerbach, president of Maurice A. Auerbach, headquartered in Hackensack, NJ. "The market is a lot more competitive, margins are shrinking, and it seems like everyone is handling more product," he says.

In business for more then 60 years, the company now does everything. "We're an

importer, exporter, forward distributor, handling transportation sales to logistics, a re-packer, wholesaler, direct retail distributor and marketer," says Auerbach. "We're in the customer-service business, both retail and foodservice, and we are a very heavy merchant in the Hunts Point Market; at least one truck a week," he adds. Auerbach visits and walks the market more than that, keeping his pulse on the market as he keeps friends close and competitors closer.

Goldilocks Analogy

These days, a firm must balance the call to be more service-oriented, but not too large to lose flexibility, according to Auerbach. "Much of the area needs to maintain decent inventory. A lot of customers want shorter lead-time, so you have to be big enough to have inventory and small enough to respond. I describe the trend as mid-size, the best of both worlds," he says, or like the fairy tale, "just right."

Companies want to streamline vendors with whom they do business, explains Merle Axelrod, managing member of Supreme Cuts, a fresh-cut processor based in Mahwah, NJ. "We work with a number of large national corporations, and the onus is on us to prove ourselves and exceed their expectations. As big as it is in numbers, it is a really small industry and people's and companies' reputations are the underlying currency with which we all trade," she says.

"All our products are fresh and made-toorder, even as we continue to expand. We don't warehouse," Axelrod says, noting the company sells through distributors and to supermarket chains directly. "We're a growing company, becoming a significant player in the market and we've earned our stripes with a safe, dependable, quality product. We always look out for the next item out there, especially

in retail," says Axelrod, noting that the firm is brainstorming healthful convenience alternatives for kids.

At Baldor Specialty Foods, in the Bronx, NY, the whole modus operandi of the highend foodservice distributor is to cater to all sizes of customer, so there is no one-size-fits all mentality here. According to Alan Butzbach, marketing director and QA/HACCP director, "We put an emphasis on diversifying about three years ago, and the move was serendipitous. When the economic crisis hit, it helped insulate us."

Flexibility is key, says Butzbach. "We're very mobile; as opposed to a cruise ship, we're on jet skis and can turn on a dime,"

Forever evolving and always excited to try new things, New York's consumers are primed to take advantage of the rich cornucopia of fresh produce local, statewide, regional, national, continental and intercontinental — that the New York industry brings to the table.

> Adds Michael Muzyk, president of Baldor: "In a volatile economy, it's less a matter of pulling back and more a matter of strategic reinvestment, targeting market gaps, and doing your homework to weather the storm. Then you're operating from a position of strength when the money starts flowing again."

New York Niche Market

As Auerbach, Supreme Cuts and Baldor cater to New York's demanding customer base by filling the need for high demand items, fine-tuned and sometimes cut to meet specifications, New York is also home to national shippers. Agrexco USA Ltd., for example, based in Jamaica, NY, is largely concentrated on filling niches of a few imported items from Israel, namely herbs, dates, persimmons and, lately, pomegranate arils. "Agrexco has been planting plantation after plantation anticipating the growth," says Shaleen Heffernan, formerly of Agrexco, and a specialist in dates and pomegranate arils out of Israel.

Sales of arils are booming. Introducing a new generation to the marvels of the pomegranate, these fruits go back to biblical times when they were highly coveted for their health and medicinal qualities, and they evoke a spiritual connection for many consumers, Heffernan explains. Saving consumers the job of

wrestling the arils from the pomegranate, convenient packages of the arils have served to transform pomegranates from their niche status to a product with mainstream appeal.

Even on the transportation side of the business, one gets a perspective of the many niches within the New York market as one of the most challenging in the world. "The marketplace has changed; it's a very fragmented industry and we've worked hard at positioning ourselves to do the commodities side and institutional side, as well as insulating risk," says Robert Goldstein, president at Genpro Inc., based in Rutherford, NJ.

With the advent of more mixed loads coming across the country, there are more stops and delays that can occur in getting

> produce to New York. Genpro is working hard to keep up with the latest technologies to improve deliveries and is striving to build its customer base so that it can obtain ever rising efficiency. "We want to be a managed-service provider rather than hustling for each load. We're evolving our model to be more like that," says Goldstein.

> Paul Kazan, president of Hunts Point Market-based transportation provider, Target Interstate Systems, says, "We're a broker, non-asset based, another middleman within

the supply chain, but an important one." To stay viable, the company has had to offer customers more and more value-added services, according to Kazan.

Putting It All Together

Viewed from atop one of Manhattan's tallest skyscrapers, the New York produce scene is like the intricate mechanism of a fine Swiss watch. Every player — from retailer to restaurant, from wholesaler to foodservice distributor, processor, importer, exporter onto broker and buying broker and truck broker each has an irreplaceable role, and the industry would be hard pressed to fill the void if one part of this finely honed machine stopped functioning.

The gold watch goes, of course, to the New York consumer. Sometimes hard to please but with a palate that is forever evolving and always excited to try new things, New York's consumers are primed to take advantage of the rich cornucopia of fresh produce - local, statewide, regional, national, continental and intercontinental — that the New York industry brings to the table.

"There is no market quite like New York for variety, for freshness, for exciting consumers," Napolitano says. And there is no better time to take advantage of it than right now.







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New Perspectives

Without the prospect of chains relying on the market, Hunts Point receivers have changed perspectives over the years; now the chance for a new facility opens the door for modernization and perhaps more chain business in the future.



By MIRA SLOTT

THERE'S NO PLACE ON EARTH LIKE THE HUNTS POINT TERMINAL MARKET. With approximately 45 produce receivers sharing 100 acres of land in the South Bronx, the world's largest produce market impacts 50 million ethnically diverse people within 100 miles of it. Millions of people depend on it for their livelihood; businesses survive and prosper because of it; in economic volatility, it generates jobs, spurs dynamic competition; and at record pace, ushers in, warehouses and distributes more varieties of fresh fruits and vegetables than any other place in the world.

On revenues exceeding \$2 billion a year, the Hunts Point Market moves 1.5 to 2 million boxes of produce annually in sheer volume, estimates Matthew D'Arrigo, vice president and third gener-



Gary Bierman, Nathel & Nathel



Alan Elkin, Nathel & Nathel



Ira Nathel, Nathel & Nathel



Kleber Suarez, Vision Import Group



Henry Kreinces, Vision Import Group



Matthew D'Arrigo, D'Arrigo Bros. Co. of New York Inc.



Paul Kazan, Target Interstate Systems



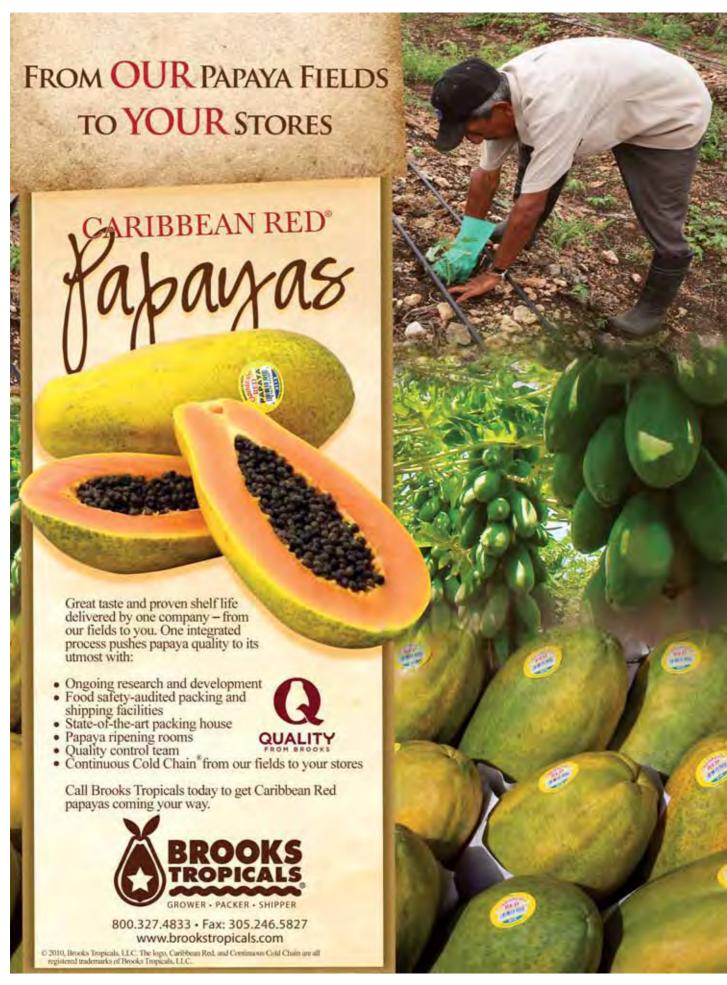
Dana Taback, Joseph Fierman & Son



Joe Randone, Joseph Fierman & Son



Nick Pacia, A.J. Trucco Inc.

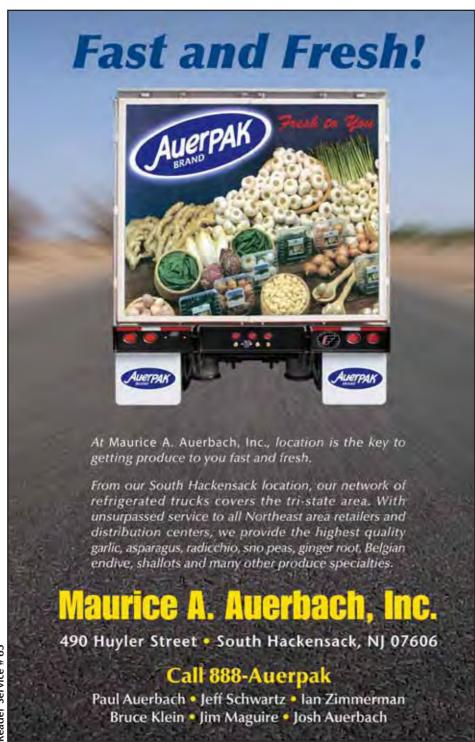


new york market profile

ation at D'Arrigo Bros. Co. of New York Inc., and co-president of the Hunts Point Terminal Produce Cooperative Association. With an unyielding commitment to ensuring the future vitality of Hunts Point, D'Arrigo has taken on a leadership role in a decade-long pursuit of a market rebuild. (See *New Market Perspectives* story on page 78.)

"This market is vital to the Tri-state area and the region," says Sal Vacca, president of A.J. Trucco. "It supports the businesses — 10,000-plus restaurants alone — and is criti-





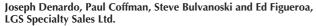
cal for the produce supply chain. They survive on Hunts Point. You cannot imagine a country with a market this big," adds Vacca, who left Italy in 1949 at 19 searching for better opportunities in America.

"There are a few of us who came from the old Washington Street market, like Mark Rubin, [president/director of Rubin Bros. Produce Corp.] and we've seen a lot," he says. "I've been in this business 61 years and I still love it. Could you imagine if this market closed? There would be very little produce to eat. Hunts Point is the only market that has the newest items. It's amazing. Anything that's marketed wholesale you'll see here. I take a walk around here and I don't even know the names of some of these products. There is not a producer that won't come to Hunts Point. This is the beauty of the Market."

Independents Gain Opening

With the large concentration of people and a growing number of ethnic groups, typical supermarket chain stores aren't really catering to the ethnic trade because there are not enough slots in their warehouse to handle a lot of the specialty items, says Steve Katzman, president of S. Katzman Produce and Katzman Berry, who is also co-president of the Hunts Point Terminal Produce Cooperative Association. The phenomenon is leaving a large opening for ethnic markets and independents to fill these changing retail needs. The independent sector is starting to seize the opportunities, some buying up old supermarket locations and capitalizing on the benefits of Hunts Point Market, he explains, noting, "We used to sell six items. Now, we sell maybe a 1,000 different items, with our berry business taking off and now accounting for about 40 percent of business."

How do smaller chains and specialty stores, such as Fairway, Garden of Eden and Gourmet Garage compete? If you ask Joe Palumbo, managing member of Top Banana, the answer is one word: produce. "Other larger chains are just allowing them to come in with better produce and cheaper prices,"





Eric Mitchnick of E. Armata Fruit & Produce and Marc Marchini of J. Marchini Farms

he says. "And where do they get it? Hunts Point Market, of course. Retailers that take advantage of the market get the inside scoop. Smaller chains find the newest items, get them fresher, cheaper and are growing their businesses."

"I don't sell a lot of the chains, but others do, and if they need something, we'll supply it to them," Palumbo continues. "So indirectly, we sell to the chains, but most large chains don't want their buyers walking the market. That's just the way the world works now," he explains. That said, "Wakefern is doing well here," he admits. "Produce is the biggest item in the store, and they know what they are doing and what they'd be missing out on otherwise.

Peter Levantino, a tenured broker in the market with 19 years under his belt, now puts his full energies into Giunta's Meat Farms, a 6store retail chain in Long Island he launched many years ago with his partner Phillip Giunta. More than half the chain's produce comes from the Hunts Point Market. "We have a warehouse, so I can take things direct, but I also go to the market to see what I need each day," Levantino reveals.

Even when he buys direct, he likes to see what Hunts Point gets in daily to compare the different quality. "I need the market to base prices," he says, which explains why he walks the market four times a week. "A lot of produce in the Market is unavailable direct or it becomes more costly. For example, snake squash is pretty hard to find, but Coosemans gets it and is the only one that has it," he explains. Often merchants on the market have exclusive deals.

The business may have changed, but Hunts Point Market is still vibrant and dynamic. Levantino depends on it to stay competitive, especially in tough economic times. "We try to keep consumers buying every day with good quality at reasonable prices," he remarks. "With the economic downturn, more people want to eat at home. Good quality is a given, but you have to price it right. We have people who can afford it, but don't want to



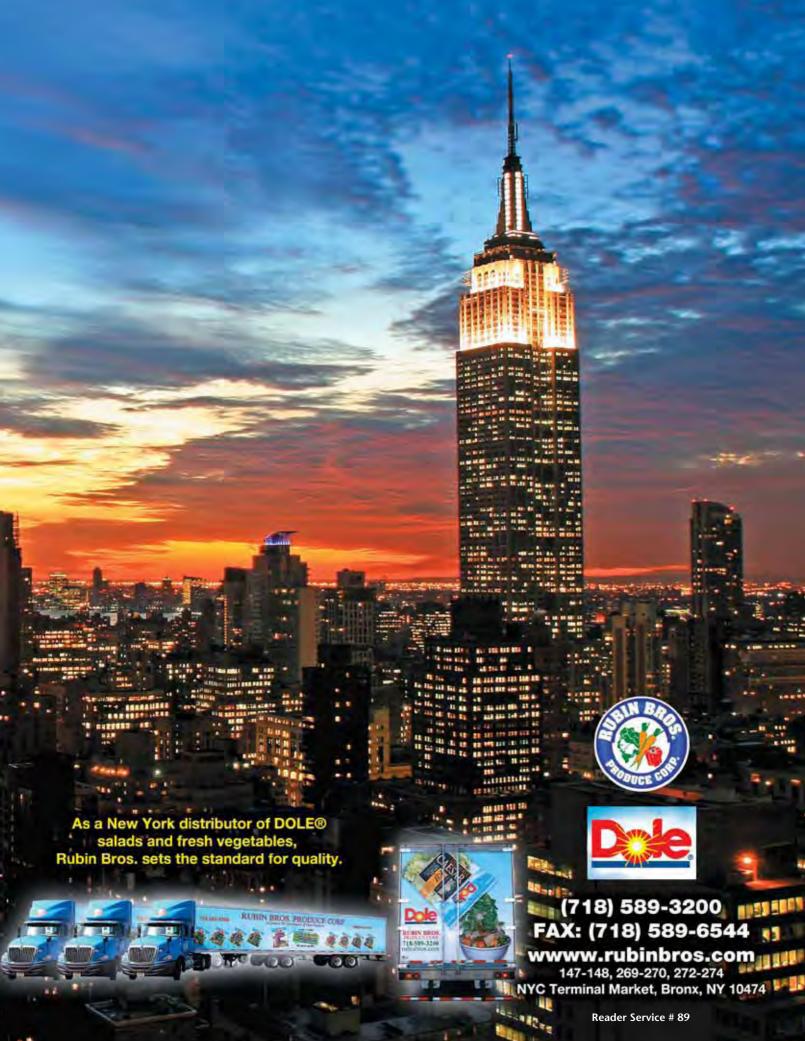
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overpay and they'll shop around. You'll see people go to three or four supermarkets. You want to keep the produce moving and you have to stay on top of it for sure," he asserts.

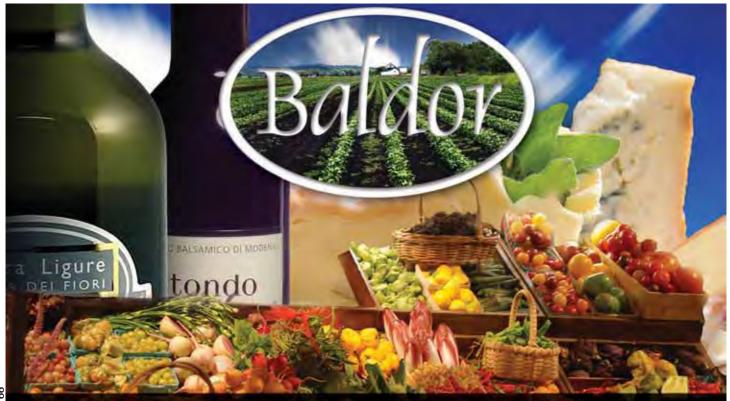
Most of the customers the Market services are smaller chains and Mom & Pop stores that don't have facilities to get product direct. "Without this market, where would they go?" asks Paul Manfre, general manager of sales

and procurement at Top Katz, a broker on the market with more than 100 years of combined experience. "If there's no market, eliminate those stores, eliminate the competition, eliminate the vast array of items those stores carry in their neighborhoods. There's not a store on the planet that can carry all those specialized, unique items. This business is great because you can come into it with \$300 in your pock-

et, buy five boxes of fruit, the next day buy 10 boxes, and build your business. People who have monster stores started this way," he says.

"I don't want to wax prophetic," says Richard Cochran, president of Robt. T Cochran & Co., "but it's a place for the independent guy. It's your terminal market. It's the end, where everything ends up; it's supply-and-demand. Big retailers... big box stores... want prices six weeks in advance. Many are bean-counters. It's not old-school produce; they don't want volatility. My grandfather helped build this Market and it took 30 years," says Cochran, opening seemingly utilitarian metal file cabinets that reveal a treasure trove filled with files of cherished produce industry memorabilia.

"We're here for the little guys, the Mom & Pop guys and peddlers," says Louis Augone, Jr., president of Juniors Produce, who describes himself as "very old school." He's one of the few guys still doing hand-written tickets. "We're the last ones in the afternoon servicing the small independents that have two or three stores each," he says. "After 2pm is our busiest time, and the service is great. Product is ready for them, they load the truck and they're out. Juniors tries to fill their order with everything else they need,



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Sal Vacca of AJ Trucco and Sal Biondo, **Market Basket**



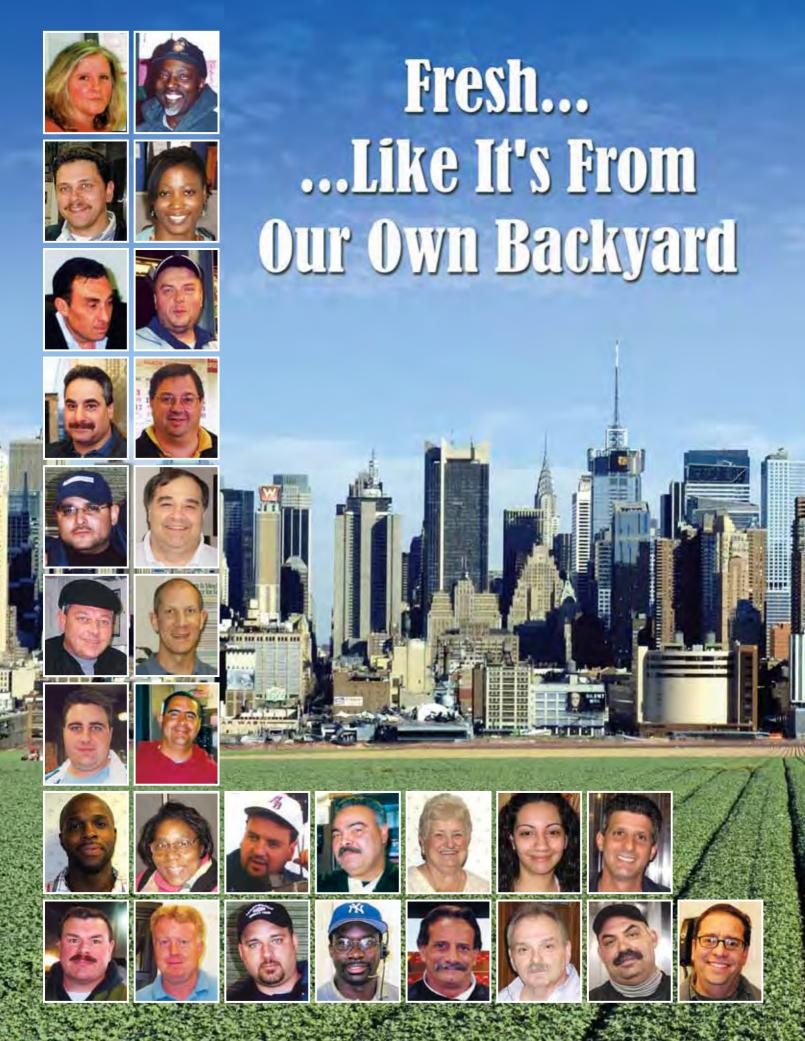
Lori Hirsch DeMarco and Michael Hirsch, LBD Produce, Inc.

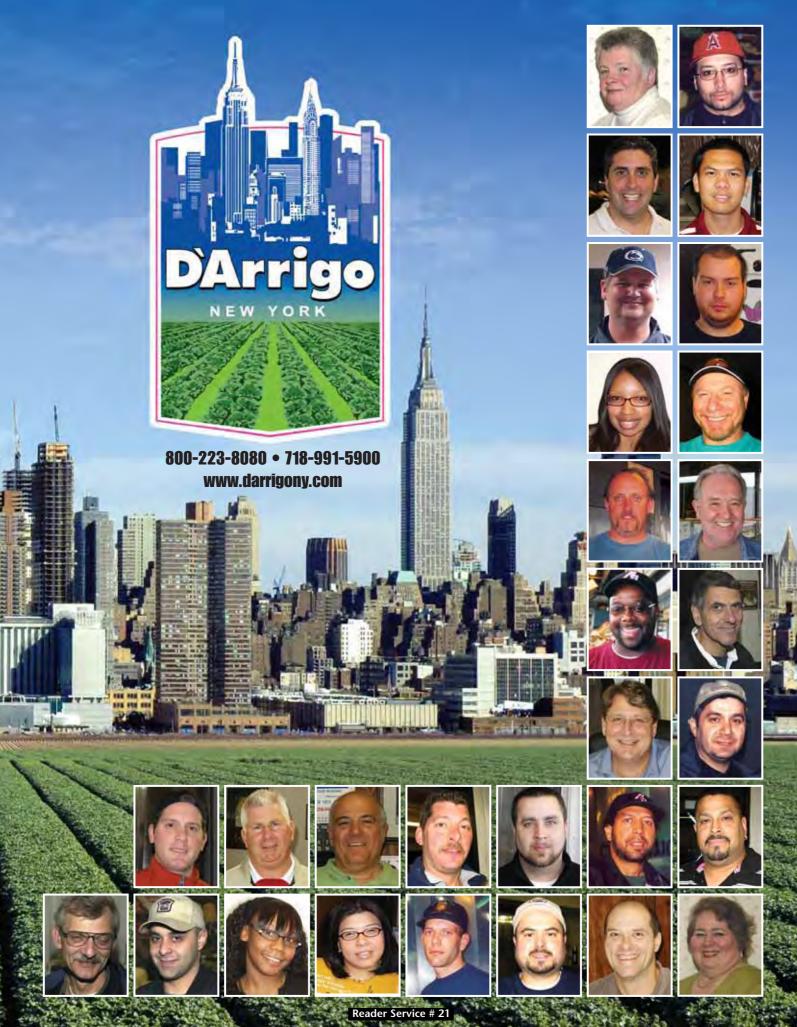
going right down the line. "We move two loads of bananas a day — 1,800 bananas that's a lot of bananas! The small peddler may buy 70 bananas a day, other guys 170 bananas. It's a perishable business, a challenge, and a gamble because you have to move product," he explains.

In turn, the customers get value for their money. "We rely solely on walk-in traffic; we don't deliver," says his son Lewis Augone, III, in sales and procurement. "I've been in this business before I could walk. Produce is in our blood. The business eventually moves to Row D, so we will be open at 2:00 and 3:00 in the afternoon. Loyal customers know us from Day 1, and have been coming to us for 15 years. They depend on us. Relationships with our customers are established and part of our life."

"We are the warehouse for our customers that do not have the ability to carry inventory,"









Paul Armata, Chris Armata, John (Ackie) Acompora and Chelsea Armata, E. Armata Fruit & Produce



Steve and Sam Katzman, S. Katzman Produce/Katzman Berry Corp.

says D'Arrigo of D'Arrigo Bros. "That's why this market hustles and bustles with so much foot traffic and trading because it remains a true market. There's a symbiotic relationship; I don't believe they'd be flourishing without this Market. That's the downstream reason why we're important."

There really is no other place for many of these stores to buy their produce, according to Lori Hirsch DeMarco, president of LBD Produce, a receiver on the Hunts Point Market. "I've been in the market 34 years — we're third generation —

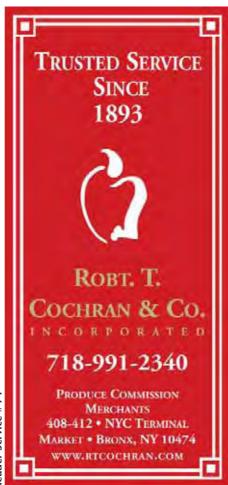
and a lot of people count on the market for their livelihood."

Adds her brother Michael Hirsch, in sales and procurement, "It's a good, steady, business and it can be profitable, but I don't want to sugar coat it. I want more customers, and in difficult economic times, the number one challenge is getting paid. The old days of all the major buyers combing the market no longer exist. They bought a little FOB, and also left a little business for us," he says, noting that large retailers are leaving opportunity buys on the table.

Missed Opportunities For Chain Stores

Though the Hunts Point Market has long ceded the business of chain stores relying on the market for most of their produce purchases, the point continues to be made that chain stores miss great opportunities — not only in price, but also in product selection — by solely going direct. "A large retailer wants to go direct, but I think a smart retailer will use the market on a regular basis because there are advantages to both," says Chris Armata, president of E. Armata Produce.









new york market profile



Toni Settanni, Albee Tomato Co., Inc.



Carmen Spignolio, Genpro Inc.



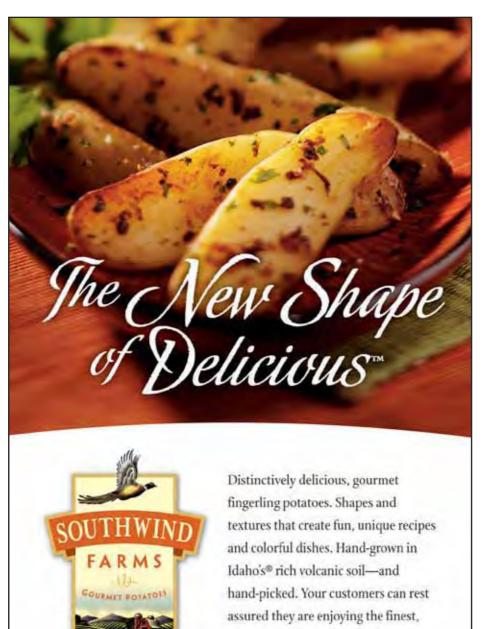
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Many retailers are losing out by not getting day-to-day prices, capitalizing on dips in the market and oversupply, according to Jeff Young, a buyer at A&J Produce Corp. "It's really a no-brainer. If you're a supermarket, you should run business more intelligently by maximizing the fluctuations in prices, seeing the highs and lows and different qualities. You're missing out if you don't take advantage," he continues. "We have integrity with shippers for fair, equitable trade and we can pass on that value and improve retailers' bottom line and profit margins."

According to John Garcia, president of Krisp-Pak Sales Corp., chain stores realize they can make 30 or 40 percent profit on produce. "It's paying off for them, and it could pay off more if they came into this market and got deals to pass on to their customers," he emphasizes.

Business has changed over the years and it won't come back the way it was with the sophistication of chain stores and their ability to receive merchandise on a steady level, explains Mark Rubin, president/director of Rubin Bros. Produce Corp., who has witnessed the transformation while doing this 45 years.

"Fill-ins are taking place mostly on a tighter market, only when they can't get the product... and that's fine, we'll sell anything at any time," continues his son, Cary Rubin, vice president of sales. "But our philosophy is that if you use the facility on a more year-round basis, we wouldn't mind servicing you in a hot market and you could benefit more."

Relationships with chain stores are still appreciated. "I love when they call me and I go out of my way to treat them fairly," Cary Rubin continues. "They know they'll get an honest answer, that we won't ship something that isn't good because we don't want them to have rejections. I look at their business as a very big bonus that I think is filled with missed opportunity."

"I'd like to shoot regular memos out to 10 chain stores to alert them, 'I've got a great buy,' but they're not set up that way," adds



Tony Biondo, A.J. Trucco



Yvonne Calzadilla. Coosemans NY



Lenore Rios, Top Katz



Ronnie Cohen, **Vision Import Group**



Joe Palumbo, Top Banana

Consolidations

RIGHT!

Cary Rubin. "If I have a shipper offering me a deal, I can call a chain store and pass it on to them; it's an opportunity buy, and I wish they'd use that strategy more. The smaller retailers that we service have the ability on a dime to put something out there at a price, as opposed to large retailers that have to go through 16 people.

Retailers should heed some cautionary advice, according to Rubin: "Retailers that go direct may get inferior quality or pay more and think they are getting it in cheaper and doing better because they are buying from the source. The retailers could be sacrificing value and paying more for the freight, but they like the idea of getting it direct."

Stefanie Katzman, in sales and procurement at S. Katzman Produce, agrees: Most chains feel that if they buy FOB it's cheaper. But in reality, we react on a dime, so if FOB drops for five or six days, we're quick at responding, and in turn pass on savings to our customers, and with two to three hour deliveries."

"A lot of people who used to buy from us go direct, but some things don't make sense to buy that way," says Toni Settanni, president of Albee Tomato Co. "They're missing the art of the buy, and they are probably paying more than they need to on many items. But in my view, what they're really losing is the longterm relationships. My pop worked so hard to build this company, and I am dedicated to keep it running."

Myra Gordon, executive director of the Hunts Point Terminal Produce Cooperative Association, doesn't pull any punches: "The Hunts Point Market creates competition, and to a degree, keeps the chain stores honest because they don't want to out-price themselves," she says.

"When I first arrived here, chain stores were doing a horrible job of merchandising produce," adds Gordon. "They improved with the advent of the Korean grocers, who understood profit margin on produce is greater than any other product in the store. And it was because of the Hunts Point Mar-





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ket that the Korean grocers were able to make produce shine, 100 percent."

Whether it's a chain store, a green grocer, or an upscale independent, they find success by merchandising on the buys off the Hunts Point Market. "If there's an item your customers are accustomed to buying and you don't want to lose them, Hunts Point Market will have it, albeit you'll have to pay the price if it's scarce," Gordon explains. "We are a supply-and-demand business, but you have to be here to take advantage of it. Between e-mails and the computer, people have gotten lazy and take the easy way out. The old timers knew how to shop the market. They knew how to get a deal and merchandise it right."

At the same time, Gordon acknowledges retail limitations with high cost of labor. Bringing in the people you would need to train is challenging today and for many large retailers, economically, it's just not feasible. "Unfortunately, it's the consumer that gets shortchanged," she says.

Even if they go direct, retailers still need



Cary and Marc Rubin, Rubin Bros. Produce Corp.



Craig Augone of Juniors Produce and Alex Bonilla of Alex Prodcue



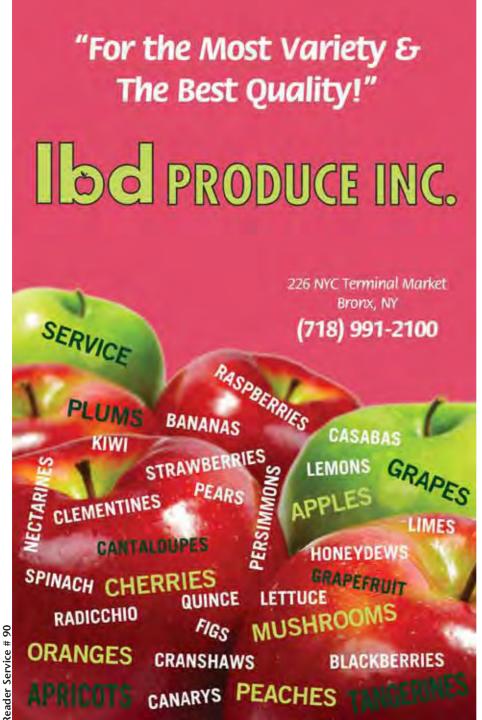
Michele Turkel of the New York Produce Trade Association and Cathy Hunt of DM Rothman

Hunts Point for non-trailer loads and specialty items because the stores don't have enough shelf space to take the quantities, Gordon adds.

Hunts Point Graduates

"It's always been a hustling business, grounded in common sense," points out Manfre of Top Katz. "A lot of people in this business don't have a Harvard education, but I'd put them against any Harvard graduate."

Manfre did a stint on Wall Street for a few years trading currency. "How about if you're selling a commodity and it goes up and it goes down and then it goes rotten? I would take any produce guy and put him in a room with financial stock brokers and he'd run cir-





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new york **market** profile



George Uribe, Vision Import Group



Ralph Comunale, E. Armata Fruit & Produce



"Produce Pete" Napolitano, S. Katzman Produce/ Katzman Berry Corp.



Billy Fierman, Joseph Fierman & Son



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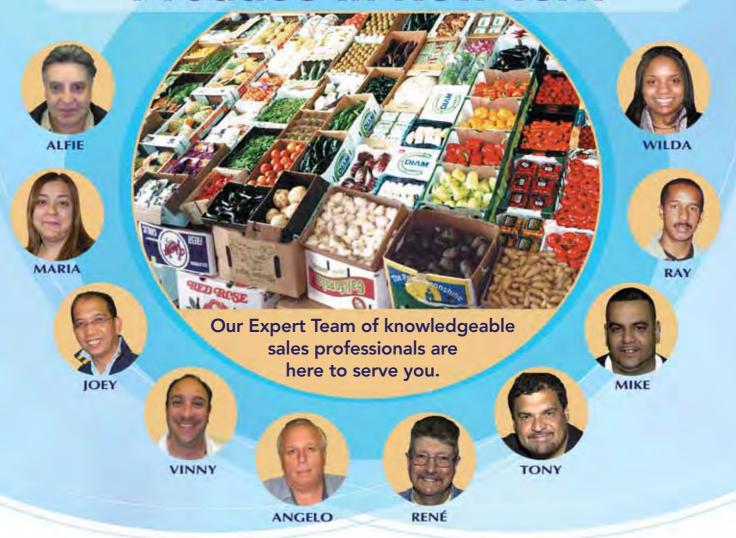
Raul Millan, Vision Import Group

cles around them," he continues. "A half-day in the produce business is 12 hours. When those stock market guys go home, our guys are just getting warmed up. It's a hard business. You're fighting the elements, and most of the time you're working nights away from your family, but once you're in the business you don't leave."

"The produce business isn't rocket science," adds Top Banana's Palumbo, "but it takes expertise, and people at Hunts Point have a wealth of information."

Everyone in this market seems to live it and breathe it 24 hours a day. "We have no control over Mother Nature, but we control what we can. We compete against a lot of variables, even our shippers sometimes, unfortunately. We compete against everyone in the surrounding areas. Within the market and the coop we're fighting for the same buy, but we do it in a gracious fashion," Palumbo says. "We're friendly competitors; we've all grown up together and gone through the ranks

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Reader Service # 19

new york market profile



Thomas Tramutola, A&J Produce Corp.



Paul Auerbach, Maurice A. Auerbach Inc.



Denise Goodman, M&R Tomato Distributors



Alan Butzbach, Baldor



Michael Muzyk, Baldor

together. We just negotiated a union contract together with common goals. As chairman of that committee, even though we are competitors, I can attest to the fact that we are united on most fronts."

Hunts Point Market allows companies to hedge their bets. "We pride ourselves that no one customer represents one large percent of our business," says Mark Rubin of Rubin Bros. "If you put all your eggs in one basket and lose that customer, you risk losing your whole business."

In the end, it takes fervor and hard work, and there is plenty to go around," asserts Ciro Porricelli, vice president of Jerry Porricelli Produce. "We start early at night, put in 16- and

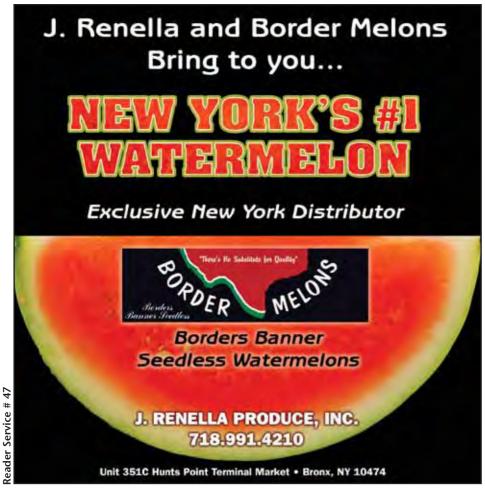
17-hour days. You have to have passion. My philosophy is to never forget where you came from. I started at the bottom, and I just do what I have to do to get ahead; if you have to sweep the floor, you sweep the floor... When my grandfather was alive, one thing he always taught me was that you have to give respect to get respect, and always treat people fairly."

Market Benefits For Grower/Shippers

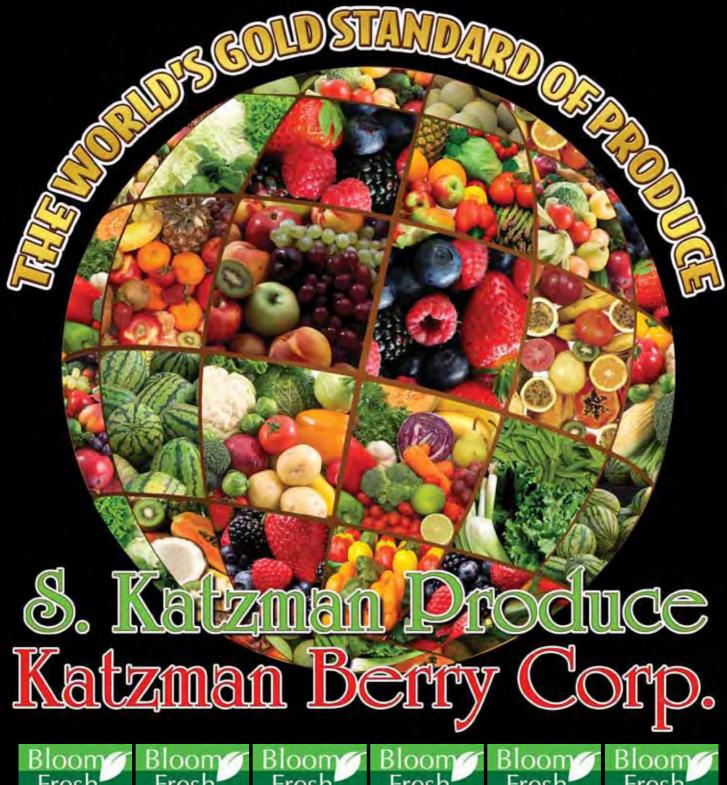
By working with wholesalers in the New York region, grower/shippers don't have to sacrifice product or turn it under and they can get a good return on it. According to Garcia of Krisp-Pak, thousands of packages come into the market, and there are not that many places in the country that can handle that kind of volume of merchandise. "Shippers can send 20, 30, 40 loads of tomatoes or spinach and it will get sold. It won't get dumped where the guy suffers a loss; he'll actually get a return on it."

Bottom line: Hunts Point moves product. "In terrible times, they call this place the dumping ground; if you want to get rid of something, you send it to New York," says Porricelli. "We have a much bigger radius of people to buy it. Other terminal markets come here and bring product down to their markets."

Porricelli mentions that wholesalers from Brooklyn, Connecticut and even Maryland coming to shop the market. "Sometimes they









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Reader Service # 73



John Stewart, Al Trucco Inc.



John Garcia, Krisp-Pak Sales Corp.



Nicholas Armata, E. Armata Fruit & Produce



Tim Motley, Food Barn



Jeff Young, A&J Produce Corp.

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John and Peter Levantino, Guinta's Meat Farms

come to fill in; sometimes they can't get a direct delivery."

Mario Andreani, general manager at S. Katzman, says, "Our first and foremost goal is to support our farmers; for example, with C&B Farms, in Florida, we've grown together starting in the late 80s early 90s, and we now support 2,700 acres," he explains. "We're helping growers with the trends and all the homework that goes into that; making them first priority."

"We come in and out of favor with shippers. They love us, hate us, can't live without us," says Dana Taback, on the sales desk at Joseph Fierman & Son. "Shippers selling direct become locked into contracts and dependent on retailers they can't always count on. This market has the ability to take a wide range of quality and grades. We offer a market for these guys, plus selling on a daily basis. Prices are fresh, which influences the FOB. Everyone seems to want to know what we are doing," he says.

Change Is Good

"People say there are not enough buyers walking the market," says Manfre of Top Katz, "but at the end of the week the coolers are empty. Chains call up on the phone. It's different. It has definitely changed, but when I hear 'different,' I look at it as an opportunity. People say you have to change with the times; I say you have to change before the times. I've made it and lost it five times. If you do nothing you're only going to go out of business. You have to stay hungry."

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Reader Service # 17

New Market Perspective

Talks with city officials to build a new market in Hunts Point raise hopes and spur modernization efforts. By Mira Slott

n expert in meeting the challenges of an Matthew D'Arrigo, vice president and third generation at D'Arrigo Bros. Co. of New York Inc., and co-president of the Hunts Point Terminal Produce Cooperative Association, has become familiar in braving an uncertain political climate and myriad considerations from different vantage points. He's certainly been tested in his quest for a new market.

"It is a momentous decision — we're great at making little decisions every day, but remaking the entire world in which you're operating and living for the next 30 or 40 years is the biggest decision of our careers," he acknowledges, adding, "The Hunts Point Market works just fine now. We're the largest mover of fresh produce in the country. We're really a throwback market, doing things the way we did 30 years ago, but in order for us to continue to evolve and thrive and be more competitive, we need to change." He continues, "We still have a lot of work left to do on garnering private and public consensus in order to jump into the future."

"I hope we will have a new market," says Sal Vacca, president of A.J. Trucco. "I'm an old merchant — one of the oldest in the market — and I still like the eye-to-eye contact, the genuine one-on-one, but times are changing. There is a strong case to invest in this market. We are lagging behind in modernity of the buildings, but the heart of the business is here. This is an evolving business. It's not just about apples and kiwis... you need to see behind the boxes to a new generation and the need to deal with the latest demands in the outside world," he explains.

"We're real close to getting a new market," says Steve Katzman, a major advocate, noting, "In the last two and a half to three years we've made tremendous progress. Up until now, I was always looking for a satellite place in New Jersey, but now I'm hopeful. We've narrowed our differences with the city on financing requirements, so it's a matter of cutting back this and cutting back that. We're working with the Economic Development Corporation, but still have to figure out how we're going to pay for it once we agree on the final design and the financing.

It's still a city market, it's city land and they're going to own it," he explains.

Realistically, if you want to stay in business, you need to change with the time. "Say it costs a total of \$300 million, and we're committed to paying half of that," continues Katzman. "In the long run, it should end up being cheaper to operate. It's hard to make the decision to invest, but every year, our expenses continue to rise and you don't want to put money into a sinking ship. It was built in the 60s and plans were really made in the 50s to be a rail market. It was built for shorter trucks and for customers who don't come in vans and cars. These are the customers taking advantage of our market and really feeding New York and the Tri-state area of 22 million people.

The value is the size and diversity of the market, the complex and full array of nationalities and products here in one compound, according to A & J's Jeff Young. "We do move the largest volume here, more than anywhere in the world, so much so that the force exuded from the tractor trailers reverberates on the fence!" he says, and he's not kidding. "To maintain the integrity of the new fence around Hunts Point Market, the city has to dig 30-foot deep cement footings because reverberation of trailers would compromise it," he explains.

The current rebuild design keeps the old market here to use as storage. It's much more efficient, will maintain the cold chain, energy will be cheaper and alleviate the conflict between rail and trailers and lack of space for receiving and loading, according to Katzman. "It will also give me more room to grow. I'll combine my three operations into one, trying to capture customers just buying the hot stuff on the market. It's still a very hands-on business, and this makes the market more accessible. I would expect sales to go up and to get new customers."

The rebuild has been a big undertaking, a major task not just with the city, but with the 45-unit strong cooperative, according to Joe Palumbo, who sits on the boards of the Hunts Point Terminal Produce Cooperative Association and the New York Trade Association. "At the co-op level, our vision is to get this market rebuilt. Every firm up here is an A personality, and every owner has an opinion. It's a challenging business," Palumbo admits, and finds no fault with the debate.

Joel Fierman, president of Joseph Fierman & Son, takes the opposing view on the strategy of building value into the market. "The merchants have to reinvent themselves in a competitive environment and not become complacent. We need to clean up the market we have; I call it a remarketing of the market. I'm a moderate upscale firm and I don't want to make investments in my office and operations, and then have them go to waste with more investment in a new market somewhere down the line, especially when the City's money and commitment are so uncertain."

Fierman likens the wish for a new Market to a kid who wants a shiny new bicycle instead of putting in the hard work to fix the old one that got him where he needed to go. "Years ago, nothing got thrown away; it became soup or was reinvented," he says. "We have to make the Hunts Point Market friendlier," he adds. "Customers need to feel comfortable to shop on a daily basis."

"Every house is a potential goldmine," adds Taback. "It's a tough business, but we always need to show cooperation and respect and provide a welcome place for customers."

Modernization Efforts Under Way

While the details — and opinions — get worked out on a new market, Kathy Hunt, president of D.M. Rothman Co., treasurer of the Hunts Point Terminal Produce Cooperative Association and president of the New York Produce Trade Association, is on a mission to get the market modernized for the 21st century. She's looking to create a stateof-the-art credit system, which has become antiquated and inefficient.

The new system is designed with security and privacy safeguards, which everyone on the market needs, Hunt emphasizes. However, updating to a new way of operating is not always easy for people who have done things a certain way for generations. "People are very private and the market is competitive, so people are hesitant to post their receivables to a main data base," Hunt explains. "The benefits of doing so are enormous. We have protections in place, so each company only sees its own customer

list. It's very confidential."

The new data base is an exciting step forward, according to Michele Turkel, executive director of the New York Produce Trade Association. It allows people to look at revenues in a greater context and understand overall market trends. But the biggest reason is to minimize risk by seeing averages and ensuring that things are not out of whack. "Moving away from self-reporting to a more transparent system of credit will go a long way in achieving more credibility," says Hunt.

The need for a thriving and well functioning market is self-evident. According to Denise Goodman, vice president and secretary of M&R Tomato Distributors, a family business since 1958, "Market people are passionate about carrying on the legacies of earlier generations and they are filled with goodwill."

Goodman says the market needs money from the city to attract more business and to continue to stay vital. "The public doesn't understand how important the market is... 365 days a year we are a constant for the region, providing fresh produce to so many people. The market has an exciting pulse and energy level that kicks up when it's really busy catering to all kinds of customers," says Goodman, who is also second vice president of the Hunts Point Terminal Produce Cooperative Association.

Another person weighing in on the debate is Tim Motley, who handles sales at Food Barn, the only place in the entire Hunts Point Market zoned to sell not only wholesale produce, but also grocery items, from frozen fruits and vegetables to fresh dairy to canned olive oils and juices. "I've got this one small unit and it's hard to find space," he says. "Everyone is on the same page in that respect, so a new market would be helpful there. I need to double my square footage, but those are the sentiments of most houses up here."

Hunts Point is the largest market for food in North America, feeding the largest population, yet we can't get an updated market, laments Rene Gosselin, operations manager at Coosemans. "One important aspect of the market is that it provides thousands of jobs, very well paid union wages for employees within proximity of their homes and an easy commute with public transportation," he notes. "We've had stumbling blocks with the City controlling the purse strings, but now the positive news is the Mayor is enthusiastic."

"The City builds a brand new baseball stadium with a drop of a hat, but to build a market that produces food for the largest population of North America, we are faced with Band Aid solutions," Gosselin contends. "Some merchants face a dilemma: 'Do I renovate and invest resources to upgrade offices when I may be relocating to a new market?' We had to make the decision to move forward," he says.

"It's not as sexy as Yankee Stadium or Shea Stadium, but it will do a whole lot more for the City," Katzman agrees, and that's a major statement coming from a diehard Yankees fan. "We're making progress," says Katzman. "The biggest challenge is making sure the small guy is taken care of. Small units are the heart of our business."



Some Brands Shine In New York

While some brands have stood the test of time, others are being introduced to New York's customers.

By Mira Slott

cross the sweeping and diverse retail and foodservice landscape of the Tri-state area and surrounding regions, consumers welcome a plethora of strong national brands and unique regional labels. Companies are reaping the benefits of offering customers brands they recognize and trust, while developing exclusive positions and value propositions to build loyalty and gain a competitive edge.

"We have the ability to put Dole bagged salads into stores that Dole would never have the ability to do," says Cary Rubin, vice president of sales at Rubin Bros Produce Corp. The company has an exclusive arrangement with Dole Fresh Vegetables in the Hunts Point Market to distribute the national branded salads to stores that would otherwise not have access. "We support all kinds of businesses, from street peddlers and independent chains, to specialty stores and the highest-end retailers and gourmet restaurants," he says.

"Chain stores deal direct with Dole, but if they run into a problem, we can service them on Dole's behalf," Cary Rubin adds. "We've enjoyed the relationship because chain stores may need other items as well and it opens up opportunity. Firms have reputations and buyers need to trust that the information and product we are providing them is right. Distributing a well-recognized brand helps.

At Vision Import Group, based in River



Edge, NJ, the company is branding its products to differentiate itself from its competitors and break away from the pack, according to Ronnie Cohen, vice president of sales. The strategy is working. The firm has seen tremendous growth of its brands in the past three years, and although a large amount of sales target the Eastern seaboard with a good concentration of trade in the Northeast, the firm is branching out across the nation, adds Raul Millan, managing member. "We have customers in pretty much every state in the country, including major wholesalers, foodservice providers and retailers in each market," he details.

Millan and Cohen attribute their success to the relationships they've built with grow-



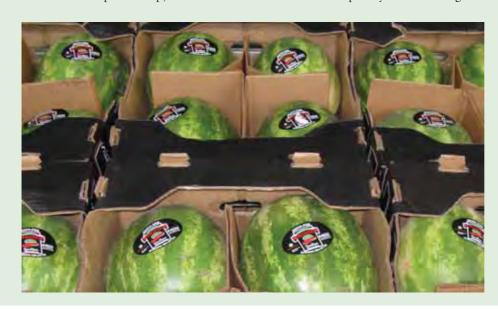
ers in Central and South America and Europe. "We travel extensively to find good growing partners who understand what we need, and recognize the quality of our brand," says Cohen.

"We just don't sell a box of limes, mangos or clementines. We sell Mojito Limes, Mr. Squeeze Lemons, Mr. Squeeze Limes, Miss E.Z. Peel Clementines. We're trying to create brand recognition with our items," says Millan. What the firm hopes for is brand recognition with the consumer. "But that's our ultimate goal, which will take a couple of years," he says. "To some extent, that's beginning to happen. In some of our major markets, people are demanding our labels and getting a premium price for our products."

In a heavy commodity-driven business, developing a brand can be difficult. "We probably could sell more mangos if we were selling Mango Maniac, a new brand we're trying to create," says Millan, noting, "it's our second year out of Guatemala with the label. It's starting to get recognition and we're looking to introduce for next season out of Mexico."

At D'Arrigo Bros. Co. of New York, vice president, Matthew D'Arrigo, says his customers are very brand conscious. "Our market is like the stock market with a physical manifestation, as the product is here that we're selling," he reasons. His firm has been marketing Andy Boy brand vegetables since the late 1920s.

Customers are very superstitious, and they loathe changing what's working, according to



D'Arrigo. In that way, brands really are a dominant factor in this marketplace.

Nathel & Nathel looks for exclusive branding deals. "We try to brand as much as we can and to get items where we're the only warehouse or main receiver in the market," says Ira Nathel, president. "Our number one tomato label, Backyard Beauty cluster tomatoes, was just featured in The New York Times," he mentions. "We have Well-Pict and Naturipe strawberries, Sycamore honeydews, Peacock melons, tons of labels like that... the highest quality shippers, but we compete with price because the customer is price-conscious and we also carry a full line," he explains, adding, into the future, "It feels like we're all going to fight for a very, very, slowly shrinking pie."

For Jim Renella, president of J. Renella Produce, maintaining brand integrity is inevitably linked to his reputation. He is one of the last holdouts in Hunts Point Market to concentrate solely on one commodity. The singular national brand he represents is Border Banner seedless watermelons. "We work hard to maintain the brand," he asserts. "I give detailed instructions on handling. If something comes in that's off, we straighten it out. Everything is handled right here. I only sell it if it's right. Renella is on top of every load that comes in, cutting samples to ensure the highest standards. I've built my reputation on trust and loyalty, and pride myself on long-term relationships."

Kiwi Star kiwifruit and Fichi Figs, two well-established brands, create an avenue for A.J. Trucco to expand the business outside the tri-state area, according Nick Pacia, vice president, who is instrumental in growing the reach of the business to major national retailers. "I think we're the biggest importer of kiwis," adds Sal Vacca, presi-

Eli & Ali Specialty and Organic Produce is celebrating its 10-year anniversary, and its exponential growth is leveraged and enveloped in its brand, according to Marc Ross, co-owner. "Our label is our Goodwill Ambassador," he says. Sales are up 66 percent from one year ago at this high-end specialty importer, re-packer, distributor and contract grower of both organic and conventional fruits and vegetables.

As many as 60 SKUs in organics today represent close to 50 percent of the business, says Peter Kroner, director of business development. "Our label allows us to be a category within a category of organics toward our goal of sustainability," Kroner says.

A vast network of organic growers in the states and abroad allows flexibility in maintaining proper inventory and ample variety, according to Art Hernandez, director of operations at Eli & Ali's.

"Building a brand is extremely challenging, so it's amazing that 10 years [after the label was introduced] consumers are looking for our product," says Jeff Ornstein, coowner of Eli & Ali's. "Branding gave us the opportunity to go box to box. That's how we increased a lot of products to different independents and created a brand. The drivers were beefsteak tomatoes, but for us, taking our brand beyond tomatoes really made a difference to our growth," he says.

"The most important aspects of our business," says Kroner, "include integrity and reliability, our ability to supply direct-store delivery, which saves on labor, inventory and shrink, and, of course, our label, which is key to our future."

THANK YOU LOU SHERMAN!



For over a period of nearly 75 years,

Irving Louis Sherman has helped transform the New York Produce Market from a small cash-and-carry operation in lower Manhattan to a sophisticated 21st-Century operation in Hunts Point. He introduced modern credit evaluations and collection methods thereby allowing both wholesalers and retailers to expand their businesses. As Executive Director of the New York Produce Trade Association, Mr. Sherman helped grow the market from a few family-run businesses to over 80 businesses during his tenure. The New York Produce Market is now the largest produce market in the

Mr. Irving "Lou" Sherman was born in the Hunts Point section of the Bronx. Lou's father, a Russian immigrant, worked in the garment industry and his mother was a housewife. In 1930, at the age of 16 years old, Lou began his career as a cashier during the night shift on the old Washington Street Market on the lower West Side of Manhattan. Business transactions then, as now, occurred outdoors. Lou recalls on some nights it was so cold his fingers would stick to the cash box.

After a few years, Mr. Sherman landed a clerical job indoors at Kodish and Zwick, a produce company. There he gained valuable knowledge of how the businesses ran their operations. Arthur Slavin, an attorney who was responsible for operating the Washington Street Market under a group called the Ward Smith Association, recognized potential in young Lou and brought him in as his protegé. Arthur taught Lou the fundamentals of evaluating customer businesses. Eventually the Ward Smith Association became the New York Produce Trade Association in 1967.

During World War II, Lou recalls that the market contributed heavily to the Allied effort, Both the Army and Navy brought trucks to the market where Association Members donated tons of produce for soldiers and sailors.

Despite Arthur Slavin's expertise, most of the businesses at the market were still operating in the 19th Century. Conditions at the market were pressured by the expanding post-war economy and needed to be brought into the 20th Century.

Lou began instituting more rigorous policies and procedures. He developed a rating system for customers that were used by the Members for creditworthiness. He helped organize the invoicing of customers and the collection of payments for distribution in the market.

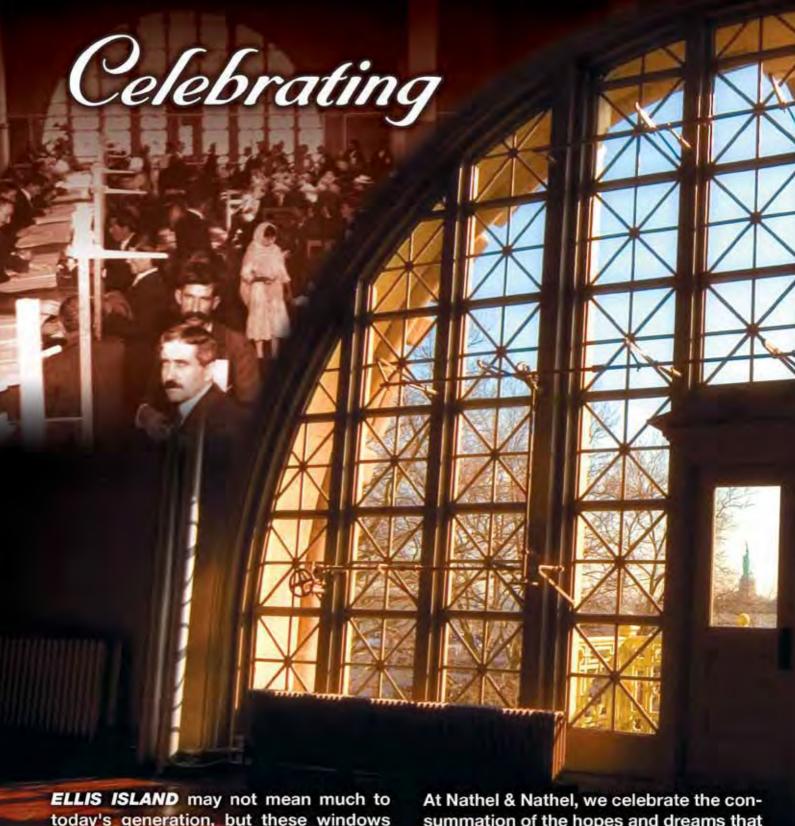
To protect Members from economic risks, Mr. Sherman required that every customer submit annual financial statements. Mr. Sherman established a system of credit evaluation of customers and employed specific strategies to collect outstanding debt that are still being used today.

In 1967, the market - having grown too big for Washington Street - was transferred to 100 acres at Hunts Point in the Bronx where it stands today. Lou continued to cultivate the produce market for another 37 years - or 74 years in total! Lou Sherman retired in December 2004 to spend more time with his wife Sylvia, his son Jerry, and his grandchildren Amy and Douglas.

For his Loyalty, Dedication and Integrity, we thank Lou Sherman. The New York Produce Trade Association and the Hunts Point Terminal Produce Cooperative Association owe a debt to Lou Sherman that can never be adequately repaid.

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The New York Produce Trade Association Hunts Point Terminal Produce Cooperative Association

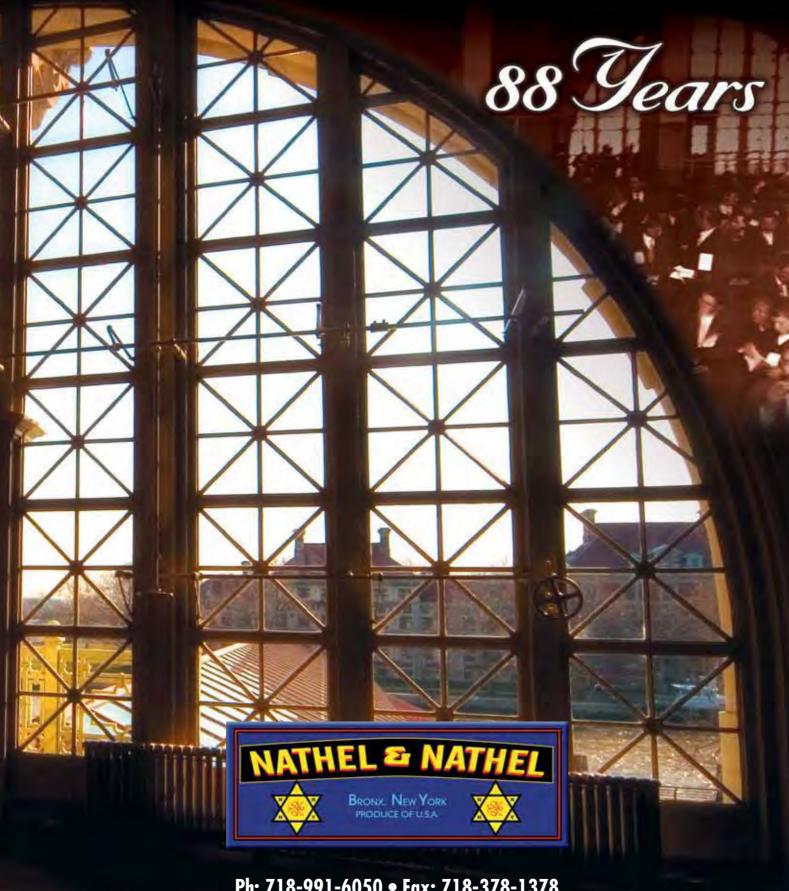


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Reader Service # 88

Kings' Majestic Makeover

An inside talk with Paul Kneeland, vice president of produce and floral, and Carmine Romeo, field supervisor at Kings Super Markets, in Parsippany, NJ.

By MIRA SLOTT







Paul Kneeland

Carmine Romeo





PAUL, YOU JOINED KINGS FOLLOWING A RICH HISTORY in the produce industry. How are your strategies and goals for the produce department evolving? Tell us about the dramatic remodel at the Cresskill, NJ store.

Kneeland: I've been with Kings three years, believe it or not. Time has flown because it's been so much fun. It's been a fast-paced ride, really. I made a great move coming to this company. We've done a lot in a short period of time. We've remade a dozen departments or so, completely gutting departments and transforming them. The beauty, in the end, is seeing the fruits of our labor. I wish I could have shown you what it was like before.

Is the Cresskill store remodel a new format you are planning to translate to other Kings stores? Kneeland: Yes, and modified variations.

What are some of the major changes?

Kneeland: We basically changed everything. We moved more convenient items to the middle of the department; cut fruit is right in the center now. We juxtaposed highs and lows, putting the bins in front of the European tables so you get a visual of both at the same time. We've used squares and rounds for different items, big baskets for spill off displays on the sides; a variety of sizes and shapes just to create an eclectic look of produce. When customers first walk in that store, we want them to see as many views as possible and a blast of color. Produce, let's face it, is beautiful stuff. We want to get that color in your face right away.

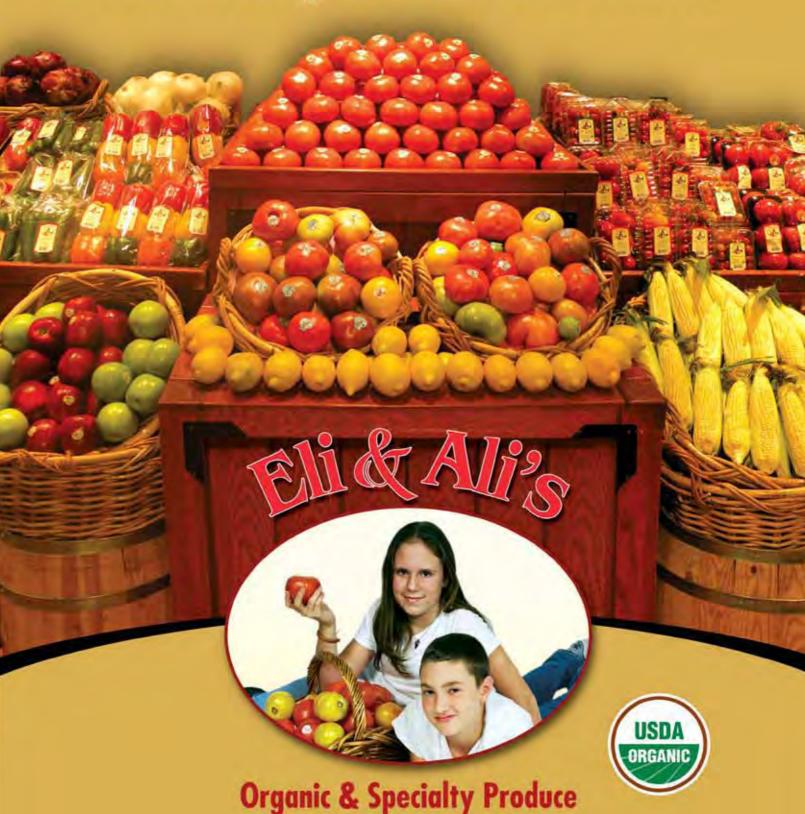
Carmine Avarone, assistant produce manager, was pointing out the dedicated use of color blocking throughout the department.

Kneeland: He's mastered that concept.

Romeo: It's all about color. When you bring out your colors, it brings out the product.

Kneeland: At the same time, we have to think about the department like the customer would think about it. The shopping experience has to make rational sense. We group product categories together in all forms, speaking to variety. It's all there for the customers to make their choices, and it also allows us to do more cross-merchandising. Berries are a good example because we can do the colors, too. You've got the reds, the blues, the golden raspberries, the blackberries — you mix them up and then you tie in the fresh angel cakes in the bakery and other dessert items like Dolci Frutta chocolate. One of our recent initiatives is tying in cheeses that pare well with the different apple varieties — merchandising cheddar with broccoli, highlighting complementary flavors in the pear and grape sections — so it really enhances the gourmet aspect, which is what we're really all about.

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Reader Service # 70

Getting Personal On The Retail Floor

When Paul Kneeland, vice president of produce and floral, boasts of having a "Carmine" in every store, the reference is to Carmine Avarone (pictured at right), whose 20-year tenure at Kings Super Markets has made him a household name. "If my customer wants a peeled cantaloupe, I'll peel it for her at no extra charge. If she wants her pineapple peeled, cored and sliced, I'll do it to make her life easier," says Avarone, assistant produce manager at the newly renovated model Cresskill store.

Avarone has a steadfast and growing fan base. Only days into her new position as president and CEO of

Kings, Judy Spires endearingly caught Avarone assisting a customer to her car, while carrying a heavy bag of produce he personally helped her select. "All the customers gravitate to Carmine, 99 percent satisfaction guaranteed," says Kneeland, noting his savvy ability to provide food preparation tips and ways to preserve and increase a product's life expectancy.

"If you keep fresh herbs in a glass of water and put a bag over it in the refrigerator, they'll stay fresh several weeks longer," Avarone says. "In the summer time, they call me the Melon Man because I help customers pick the best melons. They ask what's good today. Take these Pink Muscat grapes from Chile; they're excellent quality with higher sugar content, and you'll only find them here one month a year." Demos and cus-



tomized sampling beckon shoppers to try new items. When team sports rev up, Avarone gets busy cutting oranges in kid-friendly configurations for parents to take to their children's soccer and Little League baseball games.

Cross-merchandising also gets good play. A variety of baby and large artichokes nestled with Jerusalem sunchokes, "a nutty flavor root to sauté or roast," he explains, are displayed with Extra Virgin olive oil. "No need for recipes," says Avarone, "because I'm there to explain to customers how to cut and prepare the artichokes." Outside the produce department, the theme

continues. In an open location by the meat department, Avarone gathers unused real-estate. There, customers find an overflowing display of fresh, ripe tomatoes on-the-vine, garlic, basil, Rao's pasta sauce, onions, mozzarella and pizza ingredients. "We work it out with the grocery person and tie in product to increase his grocery sales with product on promotion," he says, noting these displays are often just planned a week or so ahead.

Customer service, while important, also needs to be tempered to accommodate different personalities. "I say good morning and ask, can I help you, but if they seem in a rush and don't respond that day, I let them shop on their own," explains Avarone. "When they're checking out, I always ask, 'Was the shopping experience pleasurable, and is there anything I can do to make it better next time?""

Could you talk more broadly about how this fits within the overall strategy?

Kneeland: Philosophy-wise, one of the reasons I came to Kings was because it was so close to what I feel a market should be — all about food, all about the people that are here to serve the food to the customers. People that work in the Kings stores are, by far, the best group of people to be around. Carmine [Avarone, the assistant produce manager] is a great example.

If Carmine Avarone is any indication, congeniality and product expertise on the retail floor is quite extensive.

Kneeland: And we have a "Carmine" in every store. It's really like family for the customers when they walk in. They know everybody. They get to talk to people. Carmine knows what he sold Mrs. Ryan last week. He's going to ask next week, "How was that? How were the raspberries?" That's a great feeling when you're shopping.

Tell us about your customer base? Is it varied?

Kneeland: Socioeconomically, our customers are basically middle-to upper-class. And our stores are middle to upper in décor, as are our offerings throughout the store. When you go over to our prep foods, you'll see a case that will blow your socks off, and the same thing in the seafood and meat offerings. We've got a mixed strategy, because in our center store we try to price closer to everybody else. Our perishables, which are known to be upper end, are priced a little higher accordingly. For some of our customers, Kings is viewed as a special holiday store. They might not be able to afford Kings every week, but for occasions such as Christmas, or Passover or Thanksgiving, it's a fresh treat.

How does your organic offering fit within the mix?

Kneeland: We integrate organic into our conventional produce selection. It goes back to having the customers make the choice. You have so

many apples all in one section now. Lately, organic costs have been closer than they ever have been in the history of organics. So now, something might cost 25 cents more a pound versus \$2 more a pound. Consumers may decide to try organics and it's not a financial decision anymore, and that's helping convert a lot of customers to organic.

Romeo: If you had organics all in one place, organic customers are only going to go to that section. We want customers to shop the whole department.

What percentage of your department is devoted to organics, and is that changing?

Kneeland: The distribution of organic produce at Kings is about four times the national average. Actually, it's our third largest category, and it's been growing by double digits even through the shaky economy, which shocked me. I couldn't believe it.



Romeo: Also, the variety has improved, and it's available at more times. Our customers are very knowledgeable about organic, and they don't want anything with pesticides on it, so they're looking for these items.

More on that point, are you doing any programs to promote locally grown? Are you addressing sustainability issues? What is your take on all this?

Kneeland: I think locally grown is the next biggest trend out there, by far, and that's all the departments, not just produce. We made a commitment last year to do Kings Farmer's Markets within the stores. That was a take off of what happens in New Jersey in the summer; there are farmer's markets everywhere. What's happening is that all of the conventional supermarkets end up competing against these farmer's markets.

Romeo: Some of these small farmer's markets are not really selling organic product. It's transition organic, or not certified organic, but they're selling it that way.

Kneeland: In locally grown, we are expanding it this year. We've done substantial work on trying to get new farmers — the faces of locally grown — into our markets. We went out and searched, using a company up in New England called Red Tomato. They're a non-profit organization that helps connect the farmer with the retailer. We picked two farmers last year and we are expanding what we bought from them this year. We had tomatoes and squash and all the regular items, but this year we're adding asparagus. As luck should have it, one of these farmers, Joseph Maugeri, a co-owner of Maugeri Farms, received the 2010 Vegetable Grower of the Year Award with his brother, Samuel, at the Atlantic Coast Agricultural Convention, sponsored by the Vegetable Growers Association of New Jersey, and we're going to promote that.

How? Do you feature his photo on the bins?

Kneeland: We do; we have his photo in a 7-by-11, and we're incorporating his picture in an ad. Another thing we did, which was really cool, was to convince Joe Maugeri and the other farmer, Alex Tonetta, to share family recipes using the vegetables from their farms and we reprinted that information on recipe cards and passed them out to the customers. Then we did demos. For tomatoes, we used the Red Tomato folks because the farmers were in the height of their season at that point.

Do you stay focused on New Jersey for your locally grown pro-

Kneeland: We do this in the summer months, and then we get as much product as we can in the off season. But we just don't stick to New Jersey for locally grown; we go to Pennsylvania and New York, and we've had some Connecticut product, and other New England area items.

Do you have any additional complications with food safety requirements when procuring from smaller, local vendors?

Kneeland: The farmers that we deal with are fully certified; they have sanitation certifications; they have insurance; they do all the right things. There are smaller farmers that call us every year that have five acres of garlic or something, and we just can't take it, unfortunately, because we need to follow certain standards and procedures. I know that's a huge discussion that goes on every year. There are multiple





Reader Service # 40

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standards out there. We have to make sure our customers are safe. It's really industry-driven. We have to regulate our own industry.

Are you able to capitalize on Hunts Point Market opportunities?

Kneeland: We use Hunts Point for fill-ins and we also use it for certain signature items. We have a brand of apples that we buy, for example, and D'Arrigo Brothers is the only one that has it, which happens a lot, and we go through them. If it's a tree fruit program, then we only go through D'Arrigo, so we use the company for both.

From your perspective as a retailer, what are the most important issues facing the produce industry?

Kneeland: A key issue is being able to promote health to the consumer and value at the same time, while getting a fair dollar for the product because those three things are independent right now. What happened when the economic downturn hit was that customers saw produce was expensive and they chose not to buy it. Our sales went down because I believe people didn't understand the value equation. Produce took a backseat as consumers were looking strictly at the dollars they were spending. I think as an industry, we have to connect the health/value ratio to the consumer and get people to understand what it takes to get strawberries from California, grow them, pick them, tray them, truck them and put them on display for \$2. People are not aware of the process; even some of the store folks are not aware of what it takes. I always go back to the example of bananas; they are grown in a foreign country. You have to grow them, pick them, soak them, box them, put them on a boat for so many days, and everyone's selling them for 69 cents a pound.

Isn't the produce industry relatively recession proof compared to industries selling big ticket items like cars, for example?

Kneeland: It's all about levels, but when the economy is bad, price retailers will generally win, and when the economy is good the higher priced retailers will generally win. When it's in the middle, you get the best of both worlds and it splits. The loyalty to any one store is not there like it used to be. There are still those people who stick with one store, especially when the gas prices were high, they would want to conserve and shop off coupons. But when the gas prices are staying low, they take the ads, and go here for chicken and ribs, and over here for deli and produce, and then here for cleaning supplies.

How do you attract younger people to the produce industry and to retail?

Kneeland: When we started in the business, it was a passion, and once it's in your blood, you're hooked. I think now, things have changed so much externally for kids, with the Internet and so many

choices. The cost of labor hasn't changed, and this is still a low-cost job per hour. So what ends up happening is that you don't attract the best of the crop and the turnover is very high. You have to make people fall back in love with the business and you have to pay them a wage that is attractive. You have to keep them here. We talk all the time about developing people for the next level, asking them, "What do you want to be? What do you want to do?"

Our new president and CEO, Judy Spires, tells the story of when she first started in the business, the store manager made her feel that if she didn't show up for work then the business wasn't going to be as good. She adds value, and I got the same treatment from a store manager many moons ago. I think that says it all. You've got to be made to feel you're valuable.

Tell us more about Judy Spires, Kings' new president and CEO.

Kneeland: She's terrific. She's been in the business for more than 35 years, starting out as a cashier. She came over from Supervalu's Acme chain. She'll be great for us. We're really looking forward to a bright future.

Romeo: She's looking to grow the business, and is very positive and outgoing. She's had experience working every department in the store.

And what is your background, Carmine?

Romeo: I've been with Kings for 27 years. Actually, I was in this store for 10 years as a produce manager. Basically, I've worked in every store in Kings either as a produce manager or as a clerk.

Kneeland: ...which is one of the reasons Kings is so good. **Romeo:** They treat us well. There's opportunity, so we stick around.

For perspective, how big is Kings as a company?

Kneeland: We have 24 Kings stores and six Balducci stores; we picked up the Balducci stores a year ago during economic woes, and it's a perfect fit for us. These gourmet stores, with Balducci's Food Lovers Market, are showing promise, and we'll hopefully expand both banners and increase our store count.

Is there anything else you'd like to share with our readers?

Kneeland: Everyone is on the same page as far as the buying team, the category managers and the executive group. It makes it so much easier, and it makes it a lot of fun coming to work.

Romeo: It's not just a job. You're friendly with the customers and you're enjoying your work and still getting the job done. That's what it's all about.

Kneeland: Carmine [Romeo] encourages managers to go to the competitors' stores and find things to take away. You can always learn, and then I will go with Carmine and Charlie Samporino, our other field supervisor, and hit a couple of stores, and then we'll go back to one of our stores and examine how we can apply what we learned

and do things better. We pride ourselves on variety, and produce managers don't want to be left behind so they order everything for our customers, which is what it's all about.

I like to be hands on, get it to where we want it to be. I ordered all the equipment for this store. We had an idea of what we wanted to do, but it's a collective deal. Carmine and Charlie will be here, and we bring in the produce manager from this store and produce managers from other stores.

It sounds like you allow flexibility for experimenting. Carmine Avarone was highlighting a lavish tomato display in the meat department and noting how spontaneously it was orchestrated. In some companies, decisions like that would be determined months in advance, or require five different approvals and get bogged down in bureaucracy.

Kneeland: We do dictate some displays, but not all of them. I think the store still needs to have that creativity flowing. People feel more involved at Kings. I could write a plan-o-gram for every store, but I don't want to do that. We'll give ideas, but it's a collaborative effort and a great team.

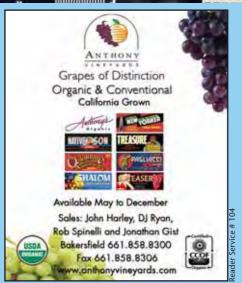
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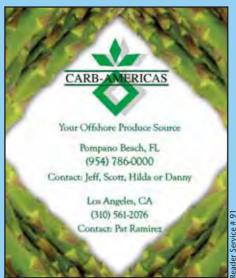
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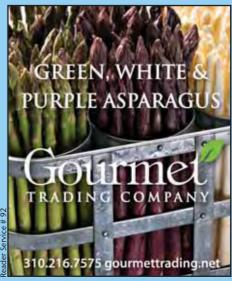
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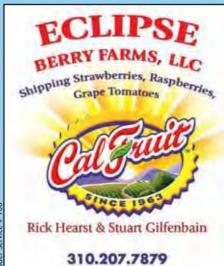
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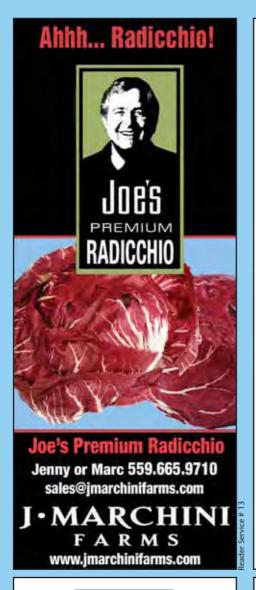


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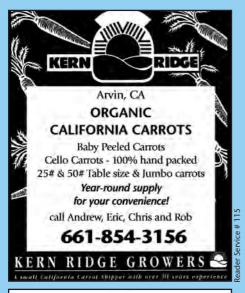


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King Kullen: Putting Family First

With a focus on truly local products and convenient, grab-and-go sections of the store, King Kullen remains vibrant and relevant nearly 80 years after its start.



By **THERESA BRAINE**

WHEN ENTERING THE 4,000-SQUARE-FOOT PRODUCE DEPARTMENT of the Massapequa King Kullen, it's impossible to miss the banners proclaiming, "Long Island Grown," which come complete with a silhouetted logo of the fishtailed island.

"It's fitting," says Richard Conger, director of produce for the family-owned, 46-store supermarket chain. The Cullen family, who changed the "C" to a "K" to match the word "King," still resides in Long Island, after founding the company nearly 80 years ago.

Entering the store, customers are immediately pulled into the seemingly endless, double-aisle produce section stocked with an artful array of fruits and vegetables in a cacophony of color. The rectangular-shaped section is set up to communicate variety and abundance. Signage is profes-





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sionally made in a font that looks like classy print penmanship, complemented by actual hand-lettered bargain signage.

A True Local Program

At peak season, more than 50 items are locally grown — that means Long Island, not the New York City Tri-state area that encompasses Long Island, New Jersey and Connecticut. Although produce is brought in from the other two nearby states, it's not part of the Long Island campaign.

Before King Kullen stepped in, farmers had to bring everything to Hunts Point market and hope for the best price, which was often below production cost. "A lot of these farmers were going to go out of business," says Conger. So 12 years ago, King Kullen stepped in "and committed to buying whatever they grew."

Telling farmers that "if they grew it, we would buy it," King Kullen execs ran into skepticism at first, Conger reveals. "But over the years we've established a very solid relationship with the farmers on Long Island. They know that if they grow five acres of romaine lettuce, we will buy five acres of romaine lettuce. We do what we say."

A May store tour showed just a few Long Island items including parsley, cilantro and

asparagus, because it was early in the season. The asparagus season runs for about four weeks in May and June, Conger notes. There was also arugula, leeks and Savoy cabbage.

In summer, super-sweet corn is a big seller. Other popular items include romaine lettuce, peppers, eggplant and squash. In the fall, there's hard squash, cauliflower and "quite a spectrum of other items," says Conger.

Aside from the Long Island items, products are sourced from a Connecticut distributor that does all the buying. While they're at it, they also deliver the Long Island produce to the stores, stopping at the farms and delivering at the warehouse.





Undetected and unexpected, Sudden Cardiac Arrest (SCA) is claiming our youth. Cardiovascular disease is the second leading medical cause of death in children and adolescents in the United States. Data estimates that 1 in 50 high schools have a SCA in a student on school grounds each year. Affected youth usually appear healthy and normal...until they have an arrest. The good news is that early detection is possible, heart conditions are treatable and young lives can be saved. Knowledge of the observations and actions that can make the difference between life and death are key to a successful outcome.

Early detection is crucial. The Louis J. Acompora Memorial Foundation promotes the early detection of heart conditions in youth through heart screenings. Frequently, the warning signs and symptoms of a heart condition in youth go undetected.

Most occurrences of SCA in youth occur in public places. The increased availability of publicly accessible automated external defibrillators (AEDs) in schools and school-sponsored athletic events will dramatically increase the probability that youth and adults alike will survive a sudden cardiac arrest. Knowing and properly executing the critically time-urgent links of the Cardiac Chain-of-Survival can help save the life of someone in SCA.

In June of 2002, Governor George Pataki of New York signed Louis' Law, which requires AEDs in all New York public schools. To date 48 lives have been saved as a direct result of this law in New York public schools. Each time a vibrant, seemingly healthy child suffers a Sudden Cardiac Arrest (SCA), the Louis J. Acompora Memorial Foundation mission of protecting youth from SCA and preventable Sudden Cardiac Death (SCD) becomes even more critical. We know it happens and we need to collectively assure others realize it by sharing our Mission and Vision.

1. Early Recognition of Sudden Cardiac Arrest

- · Collapsed and unresponsive
- · Seizure like activity
- Gasping, gurgling, snoring or labored breathing noises

2. Early Access to 9-1-1

- Confirm unresponsiveness
- Call 9-1-1- and follow emergency dispatchers instructions
- Call any onsite Emergency responders

3. Early CPR

Begin cardiopulmonary resuscitation (CPR) immediately

4. Early Defibrillation

Immediately retrieve and use an automated external defibrillator(AED) as soon as possible to restore the heart to its normal rhythm

5. Early Advance Care

• Emergency Medical Services (EMS) Responders begin advanced like support including additional resuscitative measures and transfer to a hospital.

THESE STEPS WILL SAVE A LIFE PLEASE TAKE THE TIME TO KNOW THEM AND LEARN CPR.

Contact the Louis J. Acompora Memorial Foundation for more information www.LA12.org



Many of the farms are multigenerational too, founded by grandparents of the current families. Some of them date back to the 1800s. One of those families is Schmitt's Farms. Laminated posters depicting the Schmitts are displayed around the produce section, with quotes from family members talking about what they grow. This provides shoppers a personal connection to the produce and underlines the freshness.

Long Island produce arrives at King Kullen's stores two or three days max after being picked, while shipped-in items can take seven or eight days to arrive. "From a carbon-footprint point of view we're doing a good thing here," Conger says.

For those who aren't convinced, a sign lists five reasons to buy Long Island produce. Consumers love the fact that the produce is local, Conger says, because they know it preserves farmland — the alternative to family farms are housing subdivisions — and they like the fresher flavor that comes from reduced shipping time.

Customers in this quasi-bucolic suburb about an hour from New York City by commuter railroad are of middle income; there are families with a mix of working and stay-athome parents, and then there are the retirees who have lived here all their lives, or close to it. In general, customers tend to be over 35. "There are lots of longtime customers who are loyal to the store," Conger describes. They like the family-connection aspect, and in fact, have been known to call and e-mail with requests for domestically grown produce, among other items.

Thus, the locally grown aspect is a cornerstone of King Kullen's merchandising program. Every August, the store runs a huge Long Island ad, promoting the Grown on Long Island logo. There is also a newsletter highlighting nutritional and healthful items. A registered dietician is on staff, listed in the weekly store circular. The store also sometimes offers produce coupons.

Convenience Is Most Appreciated

The salad bar is a thing of the past, but there are packaged salad greens — grown by the Schmitts, as Conger is eager to point out — ready-to-eat salads and convenience items such as cut-up fruit and vegetables, packaged for on-the-run snacking. There are carrots-and-dip packages, orange slices, pineapple strips, apple and peach slices and grapes. "It's huge in the industry right now," Conger says. "All easy grab-and-go stuff is what people want."

Also big is the juice section. "It used to be apple cider was all you were going to find in a produce department," Conger admits, "but now there's an array of every kind of fresh fruit juice imaginable."

Complementary items, such as nuts, are also on hand. There's also an olive bar, and at the end of the produce section, a wings bar, which acts as a transition into the ready-made section.

Tropical fruits, such as papaya, round out the list. Watermelon, both cubed and whole, is on display. "You go the extra mile. People are so busy they don't have time to prepare things," Conger says.

Training of produce personnel is ongoing.

"It doesn't really end," Conger says. There are always seminars, either in the stores or having all the produce managers meet in one store to chat about marketplace trends or new store practices. Twice a year, managers' meetings are held to go over what King Kullen wants to accomplish for the upcoming season.

King Kullen doesn't buy much at Hunts Point, although it's a hub for New York produce. Neither does the chain go much for "theatrics," as Conger calls it, such as the displays and programs found at the likes of some of its competitors

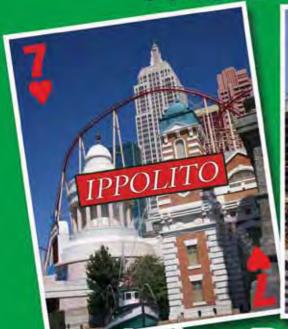
Whether they're catering to the consumer or negotiating with Long Island farmers, the underlying premise is the same: It's all about supporting the families — those of consumers, farmers and the Cullen family themselves. **pb**

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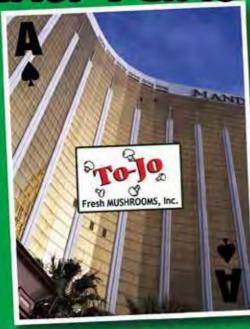
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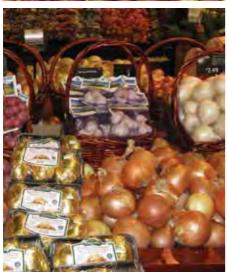
FOODTOWN: Co-Opting Produce First

With a strict locally grown program and a produce department that takes up nearly a third of the store, consumers depend on Foodtown for the freshest and best produce around.



By MIRA SLOTT





MARRYING CORPORATE EXPERTISE WITH INDEPENDENT MEMBER KNOW-HOW,

Foodtown capitalizes on unique positioning as a 65-store, food-cooperative spread across New Jersey, New York and Pennsylvania, says Bill Donahoe, president and chief operating officer. The strategy, fanned out from the Avenel, NJ, headquarters, ensures optimum flexibility in produce procurement, a strong push toward locally grown in its strictest definition, and a commitment to promoting healthy kids as part of an aggressive produce merchandising plan, explains Dean Holmquist, corporate produce and floral director.

Foodtown emanates hometown passion for produce. Customers taste it the minute they enter the sprawling produce department, which often eats up a disproportionate percentage of the total store space allotment. "The philosophy of Foodtown is produce first," says Robert Greenway, store director for the North Haledon, NJ, location. The produce department here is, by percentage of the overall store, probably double the normal size. We're only 30,000 square feet and this takes up almost 10,000 square feet. When the customers walk in the store, the first thing I want them to see is the absolute freshness," he says.

"Produce is very important, and having produce and floral at the front of the store sets the tone and the image that perishables is the strength of our store," says Walter Campbell, produce manager.

That is accomplished through a dedicated team approach. "Basically, our job at the corporate level is to act as a merchandising/advertising arm for our member stores," says Holmquist, introducing Mike Gallagher, produce field merchandiser, who works with member stores on the merchandising end and also helps them with grand openings, remodels, special promotions, Jersey Fresh and locally grown displays.

Foodtown got in early on the locally grown phenomenon, promoting Jersey Fresh since its inception back in 1986 or so. In the big picture, Foodtown runs corporate Jersey Fresh ads. "What's so neat about a cooperative is that our individual members have the flexibility to cater to their local areas," says Holmquist. "There could be a local farm they could tap into directly and promote whatever is freshly available with signs capturing that particular farmer to make it more personal. Literally, the corn could be picked fresh that morning and brought here right from the farm. It's a great mixture. We're in North Jersey so their items will become available a little later than, say, our stores down in South Jersey because of the differences in the growing periods."

Locally Grown Defined

Sometimes, in our industry, the concept of locally grown is stretched. "I don't prescribe to that. It was something that bothered me a few years ago," says Holmquist. "It was time for us to establish what we defined as locally grown. I wanted a clear definition. We are a big supporter of Jersey Fresh. I say this particularly for our stores in New Jersey. For me, if I'm going to use locally grown in







my circulars, it's Jersey Fresh; I'm not going to mislead my customers. Now, having said that, in New York — we buy a lot of product from New York — I consider New York our neighbors, and I'm all for promoting Pride of New York. New York grows some of the best produce in the country."

"Members experiment with the support of corporate merchandisers and share successful ideas with the co-op group. We try to have two show stores a year. Basically, what we do is pick a store and get feedback from our produce committee and that's how we roll," says Holmquist. "The produce committee is made up of myself and a couple of members, as

well as merchandisers that also represent our two primary produce suppliers, Bozzuto's and Proccaci Brothers. We do have one of our member groups in New York, our biggest member, and they are supplying produce through C&S. We work with them to put their ads together and they do a great job."

Hunts Point Market

"Hunts Point Market is very important to us," says Greenway of the North Haledon, NJ, store. "It provides us with hot, up-to-the-minute specials that hit the market; ordering it that day versus ordering in advance, allowing us the ability to pass on the savings to our customers. Sometimes produce market positions change radically and quickly, and as a retailer we want to take advantage of that change. A&J is my second largest supplier," he adds, "It's more than business, we've formed solid relationships."

Says Donahoe: "It further explains our unique position as a co-op. We have our primary food suppliers — Bozzuto's [in Cheshire, CT] is the main one for this particular store — but at the same time we allow our independent suppliers to target their specific areas. They know what their customers want. We expect our members to purchase 70 percent of their product from our main suppliers, which gives them a lot





The team at Foodtown includes, from left, Bill Donahoe, president and chief operating officer; Dean Holmquist, director of produce and floral, Mike Gallagher, produce field merchandiser; Walter Campbell, produce manager; and Ken Brickle, perishable sales manager at Bozzuto's Inc.

of leeway and flexibility. It allows them not to be cookie-cutters."

Organic Sustainability

Now Foodtown translates its local bent to take advantage of sustainability trends. "We think local means something from a sustainability standpoint and that it's important to our customers more now then ever," says Holmquist. "With food safety problems that have occurred in the past few years and traceability on people's minds, we want to know exactly where the product is coming from. When I talk about sustainability from consumers' point of view, they want to see less carbon footprints. As an industry, it's important to take steps toward* sustainability, and growers and shippers are doing that."

Merchandising really depends on the individual member. "Some groups like to segregate organics and they do a good job on that, but I think the days of segregating organics are gone," says Gallagher. "You lose the mainstream consumer if you segregate organics in a corner. You either have to make a statement by segregating it with big signage, or you integrate organics like they do in this store, which is really a good way of merchandising, because it attracts the consumer at the point of purchase, especially now when prices are more comparable."

Category Merchandising

"There are so many categories we're trying to group together that the layout of the department really has to have a flow for customers," says Gallagher. "There was a time in the business when product was strictly merchandised by color, but our merchandising philosophy is based much more on category groupings."

Customers at Foodtown are always curious for new items, and corporate execs encourage the produce managers to taste the items and familiarize themselves with them, so when they're talking to their customers they're knowledgeable. Produce can look beautiful but at the end of the day it comes down to taste. "People are looking for new and different things," Gallagher emphasizes. "When we try unusual or new varieties, years ago they would be put aside in a little basket on the top shelf, but now we're drawing attention to those products. We're always inundated with new items."

"We have an excellent category manager looking for unique items and also assessing the data," reports Holmquist. "We really analyze what were selling because new items come out all the time. It's our job from a corporate point of view to bring this information to our members. We have a produce committee that meets on a regular business. We do market reports, ad presentations, new-item introductions and analyze data. They are very productive meetings."

Gallagher adds, "In a department like this, category grouping, the way the department is laid out, originates in the planning stage. What kills me is when stores put bagged salads as the first thing when a customer walks in; it's like walking up to a can of peas. Put that at the end of the run; start the department with fresh bulk displays."

Cross-merchandising is a huge philosophy within Foodtown. "We take advantage of our vast selection of gourmet cheeses and mix in basil and garlic and pastas," asserts Gallagher. "Anytime there's an event or holiday we try to exploit it. With barbeque time starting, we merchandise fresh corn with foilwrapped potatoes."

Getting To The Source

As an industry, traceability is vital and that will continue to evolve, says Holmquist. "As retailers, if there is a food safety problem, we're on the front lines. From the grower/shipper side, they want it resolved as quickly as possible. From the grower to the retailer, an outbreak just kills us. A big part of this is identifying the source of the problem as fast as possible," he says.

The other big issue retailers have been focused on, according to Holmquist, is country of origin. "We've been involved in COOL since its inception. COOL is giving people an





understanding of where the product is coming from. We'll sign the corn is from Florida until New Jersey corn comes around. We don't want to misrepresent where product comes from."

Eastern Produce Council

Holmquist stays quite busy outside his day job as well. "I'm starting my second term as president of the Eastern Produce Council," he reports. "It's very effective for our industry. It's time consuming, but I love the business. We're in transition, working on a new, multi-purpose brochure to define the role of the Council and benefits for its members, such as providing networking opportunities for the industry, which is important, and also to provide current information to our members."

FOODTOWN STORE #351

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IN MEMORIAM

BRAD CAMERON

June 2, 1957 - April 30, 2010



Brad Cameron was a long standing and close member of the D'Arrigo Bros. Co. of New York family. He grew up down the street from Paul, Michael and Matthew D'Arrigo in Irvington, NY and graduated in Michael's high school class. The extended family of childhood friends also included Larry Hetz, Joe Pais, Ken Jones and Luke Sears all of whom are in the industry.

The group of friends did absolutely everything together including many high school sports. To this day, Brad is known affectionately by his friends and former players as "coach". Brad's encyclopedic knowledge of sports provided countless hours of enjoyment for all that were around him.

Brad worked for more than 20 years at D'Arrigo Brothers fruit department. "Brad was true blue, honest and responsible. He had a wonderful sense of humor and was a tremendous guy. He was a devoted, loving husband, a true gentleman and friend" said Michael D'Arrigo.

He is survived by his wife Isabel, and will be sorely missed by his family and all of his friends.

David Burke Townhouse: Fresh Produce Takes A Star Turn

Clever and creative techniques allow produce to shine at this famed Manhatan hotspot.

By MIRA SLOTT

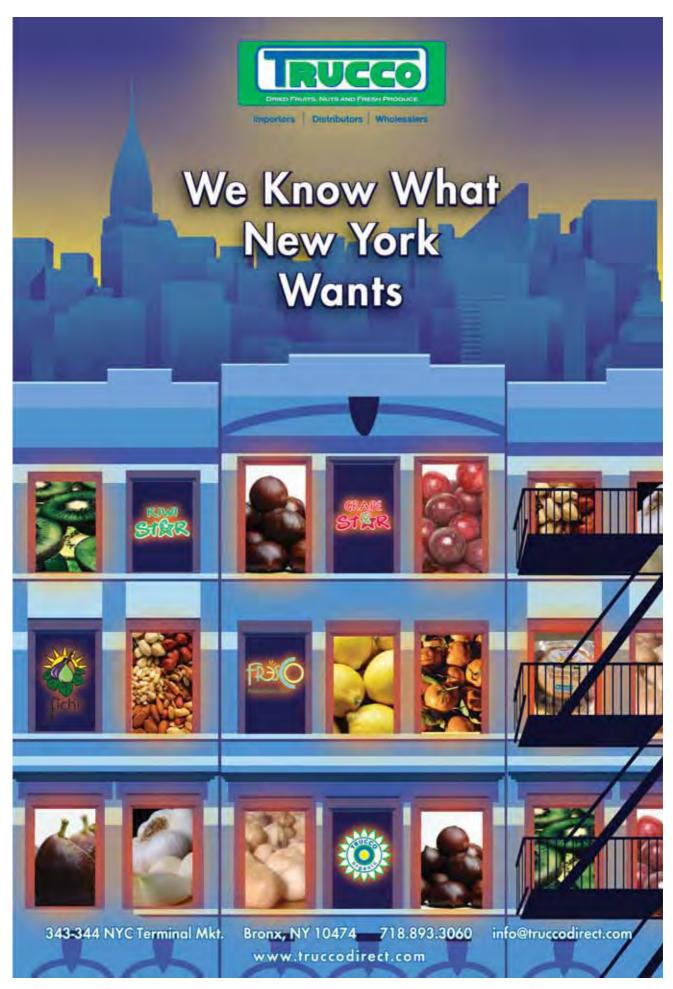


David Burke, chef and owner of his eponymous restaurant.

JUST READ A MENU AT DAVID BURKE TOWNHOUSE on Manhattan's Upper East Side to know the acclaimed chef is a true aficionado of fresh produce. The most telling sign of his commitment is the fact that every single dish, whether appetizers, lunch, dinner, dessert or brunch, incorporates seasonally honed produce year-round. But far beyond that, produce represents an integral, intriguing, playfully textural or flavor-enhancing part of the dish, says French Executive Chef Sylvain Delpique, who partners with Burke to fulfill his artful mission.

Innovative American cuisine comes laden with local, sustainable foods and exotic fruits and vegetables. Mouth-watering choices range from the subtle, intentionally pure and simple taste







profiles designed to bring out the true essence of the vegetable, to the complex, unexpected layering or juxtaposition of flavors.

A few examples to whet the palate: an Endive & Beet Salad with Fourme D'ambert, Marcona Almonds, Peaches and Huckleberry Vinaigrette; or a Mediterranean Octopus Salad with Artichoke Hummus, Cucumber Spaghetti, Endive and Fennel Slaw with Za'atar Spiced Feta Cheese. For a main dish, try Mustard Crusted Tuna with a Mosaic of Watermelon, Avocado, Wood Ear Mushrooms and Red Curry-Coconut Dressing; or a Roasted & Crispy Seawater Soaked Organic Chicken, with Succotash, Chanterelle Purée and Natural Jus. A pan-seared Dover sole is served with

Turbot with Spaghetti and Squash, Vegetable Confit, Black Olive and Tomato Emulsion.

cauliflower "picatta," Kalamata olive purée and confit vegetables. The lobster "steak" is prepared with shoestring potatoes, candied grapefruit, preserved lemon and black honey; or there's a "Bronx" Style Filet Mignon of Veal & Veal Cheek, one day with sunchoke purée and fig ravioli, another day with orangeinfused cauliflower purée and pistachio ravioli. For dessert, a Chocolate Caramel Mousse comes with orange blossom cream, candied kumquats and tangerine sorbet; there's a Tropical "Benedict" of Coconut Panna Cotta, Pineapple Lotus and Passion Fruit Sorbet, or one can opt for a "Banana Split" Cube with Vanilla Mousse, Cashew, Strawberry and Roasted Banana Ice Cream, and this is only a mere sampling.

Thoughtful Resources

"We use a lot of local purveyors for our fish, meat and produce and try to work with sustainable companies whenever possible," says Delpique, highlighting Chef's Garden, a Huron, OH-based sustainable farm specializing in micro greens and herbs and edible flowers. "I've procured hard-to-find mushroom varieties from particular Asian merchants, but these days more companies do everything," he continues. "Baldor Specialty Foods, located in the Bronx, NY, is my main produce supplier; its gourmet offerings are expansive, and then they work with people in California, and have contracts with companies in upstate New York, too. I get some of my specialty greens that are only available now

on a farm in Pennsylvania. We look to many different regions both here and abroad to fulfill our varied produce needs; it could be Italian, French or local," he says, adding, "Customers have confidence when they come here that we know our suppliers, and therefore, it's easier to control the quality. It's a trusting point," Delpique says, noting his appreciation for the challenges of traditional farming, "Hydroponic indoor production takes away mother nature."

High-end restaurants in the area often buy from the same suppliers, but "we also have our own unique partnerships," Delpique explains. "In Massachusetts, for example, we have two farmers that work for us and bring us product,"



Grilled Quail, Peach & Endive Salad with Bleu Cheese, Marcona Almonds and Huckleberry Jus.

he says, noting, "I've never been to the Hunts Point Market, but I plan to go soon."

"We try to go sustainable, organic and no hormones or antibiotics. People cheat so it's important to research farmers' practices," Delpique says.

Where and how the product is grown, raised and produced is all important, but in the end, "the ingredient has to go with the dish," emphasizes Delpique. Maybe the dish needs a crunchy texture, so he sprinkles sea beans on octopus salad to achieve that effect. He'll work with whatever is in season, like white asparagus or baby Heirloom tomatoes to enhance a dish. "I buy what I know, but I'm open to new people as well. I'm always surprised to meet five new purveyors that I didn't know last year," he says.

Creative Cuisine

David Burke is all about excitement, what's new and what people don't know about. He's always going after the next idea, the next product, the next technique, such as sweet corn lollipops with spicy tomato marmalade. "We were invited to dinner recently and served baby coconuts, a little bit bigger than hazelnuts. They're very cute and something new we've never seen," says Delpique. "Things like that will be next on our menu." Describing a fun way David Burke recreates basic produce items, Delphique explains, "We wrap bib lettuce around a potato shallot and put Caesar salad inside. The method involves deep frying the potatoes, just like French fries, and blanching them together in a mold. It surprises customers and has become a signature dish."

"We take ingredients and invent new ways to use them," he continues. "For example, we'll open fresh artichokes and display them like flowers, or pickle them. My creation is a foie gras using kumquats, squash and rhubarb confit; it goes well together and

Mustard-crusted Tuna with Compressed Watermelon, Avocado Mousse and Red Beet-lime Emulsion.

"Baldor Specialty Foods, located in the Bronx, NY, is my main produce supplier; its gourmet offerings are expansive, and then they work with people in California, and have contracts with companies in upstate New York, too. I get some of my specialty greens that are only available now on a farm in Pennsylvania. We look to many different regions both here and abroad to fulfill our varied produce needs."

— Chef Sylvain Delpique

is very colorful. Or, I'll take ramps in the white onion/garlic family and grill them with olive oil, salt and pepper to bring out a particular flavor in a dish. Another interesting item is a tiny citrus called fingerlimes, which I've only used for a short amount of time. It's something that grows wild in Australia and we can procure from California. I did a vinaigrette of fingerlimes with sashimi that was quite surprising. I also did sashimi with dragon fruit," he says.

"David Burke's sweet potato flan is pretty cool," says Delpique. He used a clever variation when he competed on the Master Chef edition of the reality show, Top Chef, for a challenge on gastronomic soul food. The judges thought it was too gourmet and unconventional, and preferred the contestant that prepared a more traditional soul food dish, "but I think they missed the point," says Delpique.

Customers appreciate what David Burke is all about. Townhouse attracts some tourists as well as a loyal neighborhood crowd. Since the restaurant draws a strong local customer

> base, they expect consistency. People ask for sustainable product; they want to know where the fish came from and they are much more focused on issues of sustainability now, according to Delpique. People are more sensitive to what products are in season, and they care more about what they eat. They request specific items and they ask a lot of questions.

Procuring the produce is only half the challenge. People often underestimate the importance of how produce is prepared. It takes skill to capitalize

on the unique flavors and bring out the item's best properties, according to Delpique. "You have to make the right decisions on cooking techniques, and if it's something you want to work with or something you don't, based on the dish. Some vegetables you want to keep clean, such as sweet peas; just keep it simple. For sweet potatoes, you can mash them and add maple syrup. Some produce you want to showcase. Some produce you don't play with, you just leave it as is. Chefs are always looking to make vegetables better. For our mustard-crusted tuna, I'll compress watermelon in a cryvec bag with coconut and red curry dressing so all the spices and juices are infused and then serve it with fresh avocado mousse. It's always a challenge with produce because you don't want to overwork it. A lot of chefs don't play with produce at all, while sometimes a chef overdoes it. Chefs always want to invent. There is a lot of competition in New York and great chefs are looking for the next way to excite people. David Burke is really good at that."

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Gargiulo's Restaurant

This family-owned business in Coney Island prides itself on fresh produce and personal service.

By THERESA BRAINE



SAUNTERING INTO GARGIULO'S IN NEW YORK CITY'S FAMED CONEY ISLAND, fruit and veggie lovers will find themselves in a produce Mecca. "One way or another, between the appetizer, the pastas that we use, the entrées, produce is introduced somehow," says owner Mike Russo. Like many savvy cooks and healthy eaters, owner Mike Russo and his family have used produce as ingredients in everything for decades, and just about all of it is practically right out of the ground.

"We make 90 percent of our stuff fresh, and a lot of it has to do with the produce that I buy," Russo explains. "From the stuffed vegetables and the spinach pies, to the vegetables we put on the table and everything else, in general, if you see our menu, produce has



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new york **foodservice** profile

something to do with every dish one way or another."

Fresh From The Market

Russo walks the Hunts Point Market in the Bronx at least twice a week to ensure that all of his produce is fresh, and every dish on the menu contains fresh produce. Six days a week the restaurant buys five pallets from the Hunts Point Market, consisting mostly of peppers, squash, mushrooms and hardware. That's 30 cases of mushrooms, 10 to 20 cases of potatoes, 30 cases of red peppers, 30 to 40 cases of green and yellow squash and 10 to 15 cases of broccoli rabe. Then there's the fruit: grapes (eight cases a week) and melons (10 to 15 cases weekly), among others. These 400 to 500 cases a week, averaging 20 pounds per case, adds up to 2,000 to 3,000 pounds of produce purchased each week.

Sounds almost unbelievable. "Believe me, my truck knows. Between the brakes and the engine and the tires I go through," Russo says with a chuckle. That doesn't stop him from personally going to Hunt's Point Market.

"A lot of people have gone to the prepackaged, ready-to-order items, which is good, but you don't know how old it is," Russo points out. "With my stuff, I know if it's no good, they'll throw it out." Case-in-point for freshness? "The smallest thing we have in our restaurant is the freezers. I have seven walk-in refrigerators and two walk-in freezers."

He wouldn't have it any other way. "Quality is first; price is not as important as quality," Russo emphasizes.

Old-World Style And Service

To grab a bite at Gargiulo's is to be treated to genuine, old-world-style service. Family members Victor, Louis, Michael, Nino and Anthony work at the restaurant, while cousins Luigi, Victor, Cela and Garmargy pitch in as well. The restaurant employs 35 full-time



chefs, dishwashers and pot washers in an effort to maintain an immaculate environment.

"We sit 900. On an average weekend, we do about 2,500 dinners," Russo reports. That includes the restaurant and the catering hall.

Despite that volume, customers get personal service. Howie Ginsburg, a salesman for A.J. Trucco Inc., swears by the place. He started dining there as a teen with his family and rediscovered the restaurant a few years ago. Nothing had changed, and that was a good thing. "It's a good-looking, classy place, and the food is always very good and you're treated nicely," he says. "It's just a great place to have dinner. The waiters all wear tuxedos, so they are very sharp-looking, and Mike won't let you in the place with a pair of shorts on."

Although Ginsburg calls himself a "meat and potatoes guy," he does favor the grilled fresh mozzarella with sun-dried tomatoes and mushrooms, and the "Fra Diavolo dish that's almost the size of the table."

"The restaurant's been in business more than 100 years, and we've had it 47 of them," notes Russo. "We bought the place in '65." As a result, he has been coming to Hunts Point since he was a boy and is on a first-name



basis with just about everyone: A&J Produce Corp., D'Arrigo Bros., S. Katzman Produce, A.J. Trucco Inc. and others.

The restaurant's menu is mouthwatering from a produce standpoint. Half of the 11 appetizers are pure vegetables, from the stuffed mushrooms, peppers and eggplant to the fried artichoke and the eggplant parmigiana. And those are just the hot appetizers. The cold ones offer pimentos and anchovies, prosciutto and melon, and prosciutto, mozzarella and roasted peppers — all from fresh produce.

In addition, there are five salads listed, and then there's the vegetable menu: broccoli, broccoli rabe, escarole, spinach, artichoke, string beans and zucchini.

Vegetables are the main attraction in three of the five risottos as well: mushroom, asparagus and spinach (the other two being chicken and fish).

Every day has an unfaltering rhythm: Preparation starts at 8am, lunch is served from 12 to 2pm, and dinner is served until 10pm. Russo enjoys the routine. "I've been doing this all my life. It's second nature to me," he says. "Ask me what time it is and I'll tell you by the smells coming from the kitchen."



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IN MEMORIAM



ANGELO MANIA

February 11, 1914 – February 19, 2010





My whole family has always thought of Angelo as another uncle. With the passing of all the older Armata's, he was the well-respected family figure we looked up to all these years. Angelo came here when he was 65 years old, retired from Grand Union after 40 years. He was a Grand Union produce buyer on the street in New York and a customer at the Hunts Point Market. When he retired he came to my father Nick Armata and asked if he could find a spot for him. All he did was work with our family and never had any outside hobbies. His job was to take care of sales tickets and every day he prepared our meals. For breakfast there were Angelo's famous bagels and cream cheese. He'd also make us lunch: broccoli rabe, sausage and peppers, frittatas, and great salads.

About eight years ago, Angelo came to us and told us he wasn't able to work anymore. He couldn't drive because of his eyes. He said he was sorry for letting us down. This work is all he knew. He had tears in his eyes. We decided to hire a driver to pick Angelo up at his home in New Jersey, so he could continue to be a part of our lives.

We'd always laugh. He teased us and we teased him. There are many funny stories. He used to be very protective of the food to make sure the bosses got what they wanted. He'd play jokes and cut out the middle of the crumb cake. And in response, someone would cut the tops of the muffins off. When he brought in hot dogs, you had to be on his good side.

- Chris Armata

In a nutshell, Angelo was a great asset and a great friend. He worked here for over 25 years. I'll always have fond memories of a loyal employee that became a great uncle to us. He was sharp as a tack and cute as could be. If someone left a drop of orange juice in the bottom of the container and didn't throw it out, he would playfully fill it up with water and give everyone a laugh. That laughter will be missed. We will miss him dearly.

– Paul Armata

Angelo is survived by a daughter and two grandchildren.

He will always remain in our hearts as part of The Armata Family.



House	Unit(s)	Phon
A & J Produce Corp	126-133, 137-144, 450-463	718-589-787
Albee Tomato Co., Inc		
Alphas Corp		
Armata, E. Inc.		
,	369-370, 372-376	
Best Tropical Produce	237	718-861-31
Chain Produce	266-268, 400-402	718-893-17
CM Produce LLC	123-125	718-328-838
Cochran Robert. T. Co., Inc	408-412	718-991-234
C and J Produce	238-241	718-991-50
Coosemans New York, Inc	242-244, 249	718-328-306
D'Arrigo Bros. Co. of New York, Inc.	301-308, 310-320	
	323-330, 332-336	718-991-590
F&S Service Company/BOGOPA	264-265	
Fierman Produce Exchange, Inc	247-248, 250-257, 271	718-893-164
Food Barn	31B	718-617-380
Fruitco Corp	200-204	718-893-450
Georgallas Tomato & Produce	447-449	718-842-63
Gold Medal Produce	163-168	718-893-55
Henry Haas, Inc	464	718-378-25
Hothouse AFL	110	718-542-377
Hunts Point Tropical	134-136	718-893-089
Issam Kanawi	331	718-542-22
Juniors Produce Inc.	438-439	718-991-730
Katzman Berry Corp	153, 260-263	718-589-140
Katzman S. Produce, Inc	154-157, 423-428	718-991-470
Korean Farm Corp	352-353	718-589-444
Krisp-Pak Sales Corp	347-350	718-991-480
LBD	226-233, 403-407	914-522-304
Lee Loi Industries, Inc.	234-236	718-542-41
Mabijo	271	718-893-164
M & R Tomato Distributors, Inc	149-151	718-589-850
M & R Trading	309	718-589-850
Margiotta, J. Company, Inc	100-105	718-378-580
Mendez Int'l. Tropical Fruit & Veg.	152, 158-162	718-893-010
Nathel & Nathel, Inc	354-364, 367-368, 465-468	718-991-605
National Farm Wholesale Corp	434-437	718-617-622
Okun, Morris, Inc.	205-220	718-589-770
Pan Hellenic Food Corp	440-444	718-328-865
Porricelli, Ciro	342	718-893-600
Renella, J. Produce, Inc.	351	718-991-42
Rothman, D.M. Co., Inc	106-109	718-991-492
Rubin Bros. Produce Corp	147-148, 269-270, 272-274	718-589-320
Square	258-259	718-893-020
Top Banana LLC	413-420	718-328-670
Trucco, A. J	343-344, 337	718-893-306
Ven-Co Produce, Inc	429-433	718-893-33
Yola Produce	371	516-292-882

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		FIERMAN PRODUCE	271	371	YOLA		
		RUBIN BROS.	270 269	370 369	E. ARMATA, INC.		
168			268	368	NATHEL & NATHEL	NATHEL	46
167 166		CHAIN PRODUCE	267 266	367 366	RIGHT CHOICE	. &	46
165	GOLD MEDAL PROD.	F&S SERVICE	265	365	THOST OFFICE	NATHEL	46
164		COMPANY/BOGOPA	264 263	364		HENRY HAAS, INC.	46
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161	MENDEZ	BERRY CORP.	261	361	NATHEL		46
160	TROPICAL FRUIT		260	360	&		46
159 158	& VEG	SQUARE	259 258	359 358	NATHEL	***	45
157			257	357		A&J PRODUCE	45
156	S. KATZMAN		256	356		CORP.	45
155 154	PRODUCE INC.	FIERMAN PRODUCE	255 254	355 354			45 45
153	KATZMAN BERRY CORP.	EXCHANGE	253	353	KORFAN	1	45
152	MENDEZ INT'L FRUIT & VEG	INC.	252	352	FARMS		45
151	M & R TOMATO		251	351	J. RENELLA		45
150 149	DISTRIBUTORS INC.	COOSEMANS	250 249	350 349	KRISP-PAK		45
148	RUBIN BROS.	FIERMAN	248	348	SALES CORP.	GEORGALLAS TOMATO &	44
147	PRODUCE CORP.	PRODUCE	247	347		PRODUCE	44
144		COOSEMANIS	244	344	A.J. TRUCCO, INC.	1	44
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111		IIVO.	211	311		COCHRAN	41
110	AFL HOTHOUSE		210	310		ROBERT. T.	41
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Populous Northeastern Region **Benefits From New York State** 'Locally Grown' Vegetables

From July until October, New York holds its own against Sunbelt states.

BY JACQUELINE ROSS LIEBERMAN

It may be known as the Big Apple, but New York State is also big into veggies.

> "New York is a very, very large vegetable grower - the fifth largest vegetable state in the country," reveals Bill Kimball, director of the division of agricultural protection and development services for the Albany-based New York State Department of Agriculture & Markets. "We have great soil resources, and during certain times of the year, we have great climate for producing these vegetables."

> The climate and soil types differ according to location, allowing for varied types of vegetables to grow there. "New York is a bigger state than most people think it is," says Kimball. "Our vegetable production can be found throughout the state."

In terms of sales, the top rated vegetables from

New York are cabbage, sweet corn, onions, potatoes, snap beans, tomatoes, squash, pumpkins and cucumbers. Herbs also play an important role.

Some New York vegetables, such as leafy greens, are harvested in the late spring, some in the summer and most in the fall. "We're not like California or Texas or Arizona. We're a single-crop season state," notes Kimball. Many New York vegetables are storage items that can be sold throughout the winter, including potatoes, onions, and to some extent, cabbage.

For some items, the timing of harvest is an advantage. "In terms of vegetables, most of our major crops are hitting the market June through the fall, and we're after some of the earlier folks," says Kimball. New York's famed sweet corn is an example of this. "Ours is being harvested when the others have already been," he says. "July through



The Pride of New York program assists New York retailers with making connections between local farmers, the produce they grow and the consumers who buy them with POS signage such as banners, like the one above.

October is our deal."

Grace's Marketplace, with a store in Manhattan and another on Long Island, carries New York vegetables throughout the available season. "We start with dill, arugula, Boston lettuce, radishes, escarole, chickery and green Swiss chard in the spring," says Dominick Doria, produce manager at the Greenvale location on Long Island, NY. "This summer, we'll carry everything that comes out of there — all the things that you can think of."

GROWING THE BEST

New York has ideal soil and climate con-

ditions for some of its famed veggies. For example, "With cabbage, the location of the Great Lakes moderates the temperature," says Maureen Torrey Marshall, vice president of Torrey Farms Inc., based in Elba, NY. Certain parts of the state are also known for drained swampland that is ideal for growing flavorful onions, she reveals.

In addition to natural growing conditions, New York growers take every advantage they can get. "You constantly have to stay on top of new technology," says Torrey Marshall.

Kimball of the New York State Department of Agriculture & Markets adds, "We

Educating Tomorrow's Consumers

ew York State's schoolchildren know a thing or two about local vegetables. "We have a very active farm-to-school program in the state. That's one of the better accomplishments we've made. We're educating children and selling product at the same time," says Bill Kimball, director of the division of agricultural protection and development services for the Albany-based New York State Department of Agriculture & Markets.

"We're finally teaching schoolchildren that they need to eat fruits and vegetables," adds Maureen Torrey Marshall, vice president of Torrey Farms Inc., in Elba, NY.

The result, they hope, is healthier New Yorkers as well as healthier produce sales. "We can never do too much to educate consumers about the importance of eating fresh produce," says Kimball. He also believes in the importance of teaching consumers how to properly prepare these vegetables so that they will purchase them again. "Our No. 1 concern is to satisfy the consumer so they come back and keep buying," he says.

have great producers in this state using all of the technology available. We're fortunate here in New York to have Cornell University as our land grant college. Cornell researchers are keeping our producers up to date on the latest and greatest."

Much of that research goes into finding ways to protect crops from pests and diseases. "Plus, there's a lot of work going on at Cornell to extend the season," Kimball discloses. Meanwhile, from the growers' end, "We're increasingly having people researching growing modification." For example, more greenhouses are used in the state than in the past, although most of New York's vegetables are still grown in open fields.

Food safety is another area where New York vegetables stay on top. "An area becoming more and more important is Good Agricultural Practice [GAP] production," Kimball notes. The State Department has funded GAP work and provides some grant funding to help growers pay for certifications. "It's been very well received," he asserts.

The movement to ensure food safety through certification has its roots in New York. Torrey Marshall of Torrey Farms, which is GAP certified, explains, "New York led it because Cornell was the entity that



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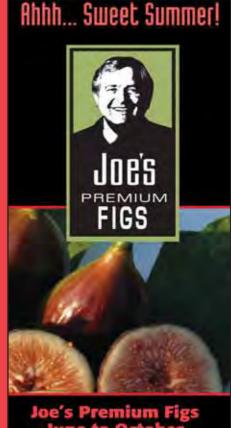
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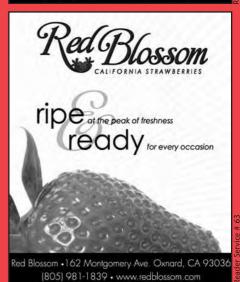


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really wrote the GAP program."

The State Department is also working to train GAP certifiers. "We are educating our producers on the need to get certification and we're hooking them up with certifiers," says Kimball. "Food safety is paramount."

PROMOTIONAL SUPPORT

Although little is exported, New York State vegetables are sold throughout the United States. "We don't have as many mega-farms as California has, but it's not like we don't have any. And those people do business all over the country," explains Kimball.

Much of what is grown in the state is sold locally and regionally. Despite its headquarters in Glennville, GA, Bland Farms LLC grows onions throughout the world, including New York State. For New York sweet onions and vellow and red onions, "Our typical customer base would be the Northeast and down the Eastern seaboard," says Richard Pazderski, director of sales and marketing. Bland Farms specifically acquired Empire Sweet Onions last year to complement its sweet onions from Peru, so that the company can give consumers who like to "buy local" the option to do so from them.

"There's a lot of interest in locally grown in New York. The sweet onions — the specialty onions — get more interest in locally grown," notes Pazderski. "Locally grown implies so many things now, whether it's environmental

Competing With Farmer's **Markets**

uring the summer months, retailers in the Northeast don't just compete with each other; they compete with the many popular farmers' markets in both cities and small towns. "People love to interact directly with the people who grew the sweet corn or lettuce or what have you," says Bill Kimball, director of the division of agricultural protection and development services for the Albany-based New York State Department of Agriculture & Markets. "The greenmarket system in New York City is thriving for that reason."

Without having the grower present, supermarkets can achieve a similar feeling of "closeness" with farms in other ways, such as signs with photos of the families who produced that item or maps identifying where in New York the crop came from. With the added convenience of one-stop shopping, stores may actually boast a leg up. pb

impact or hometown pride and supporting the local economy," he says. Costs can be lower than that for imported or East Coast produce, as well. "We have a specific freight advantage compared to onions coming from the West for supplying this region."

"It's a huge opportunity for us because we have such a high level of production and we also have a large population," says Kimball of the New York State Department of Agriculture & Markets. "The whole world wants to sell in New York City and the buy local' thing gives us a huge leg up."

Many entities can help retailers in the New York area take advantage of the lust for local vegetables. New York Pride of New York Program - the marketing and promotion program for New York State, whose mission is to increase the demand for agricultural products that are grown and food products that are processed within the state assists retailers by introducing consumers to the advantages of buying local products; creating connections between the consumers, farmers and food processors of crops grown and foods processed in the state; assisting in the education of informing their customers of the availability of locally grown products; offering the use of the Pride emblem on their signage; and providing them with POS materials such as signage and labels.

Those involved in Pride of New York include "growers, food processors, vineyards and wineries, farm businesses and direct marketers, retailers, foodservice organizations, wholesalers and distributors, agri-tourism destinations, support groups and related trade associations and, most importantly, consumers," according to Sue Santamarina, the program's manager. "The Pride of New York Program was developed in 1995 with 150 members. Currently there are over 3,000 members."

Specifically for retailers, the Pride program offers marketing assistance through the use of the Pride emblem on their signage, providing them with POS materials and invitations to special events where they are able to interact with growers and processors.

In addition, New York State provides other resources. "We work at all levels," explains Kimball. "The State Department doesn't have a lot of money for this — or anything — right now, so we're trying to get creative." This means that signage that was once more cropspecific is more generic than in the past, but it also means that state-employed experts are working more one-on-one with retailers. A retail specialist for the State Department is available to local retailers to help develop individual programs designed to sell more New York produce. "As much as possible, we try to support their individual efforts," he says. "I think that the individual, personal outreach is

the most important thing that we can do for retailers. One big thing that we do is help them identify sources of supply," continues Kimball. "Retailers want to buy local, but they don't necessarily know who can service them. We find little ways that we can help them that makes their lives so much easier. There's a lot that we can do without a bagful of money."

Another state-employed specialist is available to help wholesalers, and the State Department even works with restaurants to help them find distributors. "A huge number of restaurants are clamoring for locally produced products," notes Kimball. "Our wholesale specialist is having great success getting them to purchase locally grown produce."

New York State growers also offer retail support, such as Bland Farms' POS kits, which include price cards, box toppers and recipe cards, in addition to high-graphic packaging. "POS kits help create visibility and excitement at the store," says the company's Pazderski, while recipe cards inform consumers on how to use specialty items, such as sweet onions.

At Torrey Farms, "We've worked with New York on Pride of New York," says Torrey Marshall. The company also helps individual stores with promotional materials such as photos and recipes. "We also serve as a knowledge resource for them," she says.

Regional retailers in the know take advantage of the buy local phenomenon. "When we have an abundance of New York vegetables we'll do ads," says Doria of Grace's Marketplace. "We put signs up that it comes from New York."

John Talento, produce manager for Stew Leonard's supermarkets, in Yonkers, NY, tells us, "Our customers request locally grown vegetables and they come to Stew Leonard's to shop for fresh, seasonal produce. Right now, we're buying locally grown New York-grown arugula, red leaf lettuce, green leaf lettuce, dill and cilantro. This summer, we'll bring in truckloads of Kessman Farms' prize-winning sweet corn and, in the fall, our apples come from local orchards. Since Stew Leonard's is a family business, it's important to us to support local farming families throughout New York. Plus, our customers will see the difference. When Stew Leonard's buys vegetables from local producers, we know that they will have been picked fresh the same day they are delivered to our stores."

Freshness is a major advantage, agrees Doria. He tells us that many of his customers especially look forward to straightfrom-the-field Long Island sweet corn.

Like the independent supermarkets, "Most chains at some point or other will have signage that says 'Buy Local,'" notes Kimball. **pb**

Automation In The Wholesale Operation

The additional cost is worth the piece of mind.

BY ION VANZILE

Dennis Michael has a wealth of information at his fingertips, thanks to a new software program purchased by his company, Primo Number One In Produce Inc.

> "You can really drill down into the business," says Michael, vice president, of the large produce wholesaler in Allentown, PA, that handles about 1,200 SKUs and includes a repacking operation. Like many larger distributors, Primo handles a constant influx of fresh produce from all over its region, repacks many items into retail packages of various sizes and prices and sends out daily deliveries to retailers. As with all produce distributors, the margin for error is razor thin - fresh product can go bad if it sits too long; incorrectly packed crates and boxes can result in missed or inaccurate deliveries; and costs can be opaque at best.

To help organize this sprawling operation, Primo

recently purchased a warehouse management system from Produce Pro Software, headquartered in Woodridge, IL. The new system combines complete warehouse management with voice-activated picking and scanning. Now, Michael points out he can pull reports in the morning that yield an incredible amount of data from the previous night's picking operation. "Everything is time-stamped now," he says. "We can review a selector's time stamps, and we've found guys who were taking excessive breaks. I can combine this information with the cameras and find out where they were standing and when those boxes went on the skids. It really cuts down on potential mistakes." In fact, Michael asserts the software increased the warehouse efficiency by 30 to 40 percent, mostly through increased accuracy during picking and fewer mistakes during customer deliveries.

With these kinds of benefits, it's a wonder that every wholesaler in the industry isn't wholeheartedly embracing warehouse automation. But as it turns out, there's a lot to consider with new software, and the industry still has a long way to go. Although there aren't hard numbers available, various software experts estimate that as many as half of all produce wholesalers are still managing their warehouses with paper ledgers or simple software programs like Microsoft Excel and QuickBooks.

PICKING AN **AUTOMATION PLATFORM**

The first step to choosing a warehouse or business management system is to assess your individual needs, suggests Don Walborn, director of sales and marketing for ProWare Services LLC, in Plant City, FL. "You need to develop a process flow for your business," he says. "Ask yourself, 'Why am I doing it this way? What's working? What isn't working?' Take into account the size of your company, geography and what's going on in the industry. Then define your goals and growth."

It's important to start from scratch because implementing a software system involves the most

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fundamental aspects of your business. Although software is customizable, the nature of automation is to apply order to a process that might have once been run on intuition, inertia and instinct.

And automation isn't necessarily cheap and simple. Implementation times for a new software package can run several months and might involve extensive staff time to input all the various products a distributor handles. "There are several cost components to automation," Walborn remarks. These include the cost of the software license itself - a relatively small expense- customization of the software, if necessary; training and implementation costs; and hardware costs for new servers. In general, software companies interviewed for this article estimated that implementation costs typically run two to fives time the software license.

Finally, automation includes recurring costs once the system is up and running. These costs include continuing licensing fees, new releases, telephone support and hardware maintenance. "You really have to analyze the overall impact," Walborn adds. "But don't lose sight of the fact that for every cost, there's a benefit."

THE BENEFITS OF **AUTOMATION**

Ultimately, the benefits to automating a warehouse boil down to one all-important factor: money. Just like Primo discovered, a properly implemented warehouse system can yield an incredible amount of information about the product flowing into and out of a warehouse. This information improves efficiency and profitability.

"Nickels and dimes matter tremendously in this business," asserts Dennis Ferrarelli, national sales manager at Produce Pro Software. "If you have accountability in the system, you know how much product you ordered, where it is, how much came in, where the driver is, and where it went. An integrated system allows transparency into your organization so you can see what's going on."

Additionally, an automated system makes it easier to figure costs. In the produce business, there are many costs associated with bringing product into a warehouse, according to Charles Waud, president of WaudWare Inc., based in Brampton, Ontario, Canada. "You have supplier costs, transportation costs and others that you have to spread across all the produce," Waud says. "In some cases, businesses aren't able to accurately tell if a product is profitable or not because it's impossible to figure out exactly how much it costs to bring it in the door. A good software system, however, will be able to spread all these various costs across many items."

Once inventory is received, automated barcode scanners and label printers make it easier to keep track of every box and crate that enters a warehouse, so fewer "boxes of strawberries walk out the door," savs Ferrarelli.

This is also true with repacking operations, which can be particularly challenging. Software systems allow you to automatically assign different levels of pricing to various size packages of the same item.

THE IMPLEMENTATION **CHALLENGE**

Identifying your needs and picking a system is only the beginning. Implementation is a crucial step that can make the installation a success or doom it for failure. In Primo's case, Michael reports the implementation went fairly well, but even then, the successful implementation required three stages and on-floor support from Produce Pro and other vendors.

In general, implementation of a new software automation system can take anywhere between two to three months, depending on the complexity of the system and the man-hours required. Much of this time will typically be spent in data entry: although the software producers try to make it easy by providing automatic data fields, there will still inevitably be some customization unique to your business.

There are a few tips, however, that can make implementation easier, beginning with appointing someone within the organization to oversee the implementation. "We identified an individual in house who worked as a project champion and worked closely with the implementation teams," Michael explains. "That person was critical to our success."

Produce Pro's Ferrarelli is even more blunt. "When you're talking about software, upper management needs to be involved," he says. "Otherwise, that implementation is going to fail."

ONLINE OPTIONS

One company is doing its best to remove most of the obstacles to software implementation by taking its program online. According to president Charles Shafae, his company, dProduceMan, in Half Moon Bay, CA, is one of the only companies to offer automation software in an online environment. The benefits to such a system are obvious - reduced hardware cost; remote access to your warehouse from anywhere with a computer; and reduced software



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Reader Service # 24



IN **UNCERTAIN** TIMES, HOW DO YOU KNOW WHO THE MOST ETHICAL PRODUCE TRADERS ARE?

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www.producebluebook.com 630.668.3500 maintenance since the resident program is maintained by dSoftwareMan on its servers.

It also offers powerful customer service benefits, points out Shafae. "In our distribution software, as the products come in, they're lotted and you know exactly where they came in by the lot numbers," he explains. "You can put all these lot numbers on the Web site, and if a consumer wants to find out where the product came from, they can log on and find out."

Because the online system is so inexpensive, Shafae said it's even appropriate for tiny wholesalers and "mom and pop shops" that maybe only handle a few items.

Nevertheless, Shafae said his company regularly runs into resistance to the online inventory management system. The most common complaints? Security issues and loss of connectivity. But Shafae insists that both concerns are misplaced. "The biggest complain we get is, 'Is my file safe?" Shafae remarks. "They want to know if someone can get in there and take the file. My response is that your whole life is already online, and you just don't know it." Shafae uses secure servers maintained by a data warehouse company and automatically backs up the system daily.

As far as loss of connectivity, "It's much

lower than it used to be," Shafae says. "But if you lose connection in one location, all you have to do is go somewhere else. You can work from Starbucks."

To show customers how the system works, dProduceMan offers a free 30-day trial of its online program. The interface is exactly the same as the local version, so if customers are unhappy with the online performance at the end of 30 days, dProduceMan simply transfers data from the online servers to local servers in your company.

So far, Shafae reports most of the company's sales are for the online version, and a significant number of older customers are switching from resident software to online warehouse management. "We're the only company online right now, but the other companies will follow," he says.

THE WAVE OF THE FUTURE?

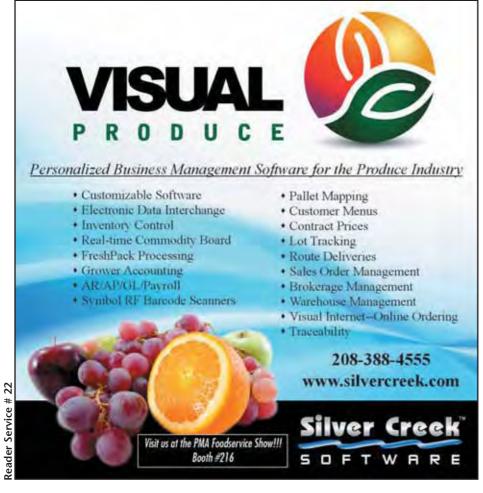
As far as the future is concerned, the software experts agreed on one point: the trend toward automation and wholesaler consolidation will continue. There are multiple reasons for this: achieving economies of scale; increased competitiveness; reduced waste; and reduced costs. But one factor in particular stands out: the traceability movement. Although software

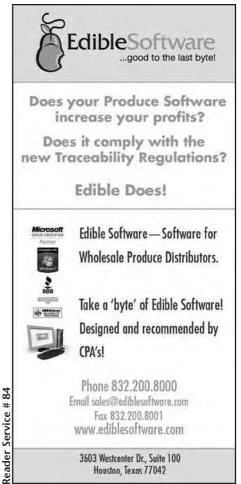
automation isn't primarily about traceability, the issue is never far from the conversation. "Our industry is a little bit behind," Shafae of dProduceMan says. "But the time is coming. Distribution is one thing, but now that we're getting traceability, it will force distributors to automate."

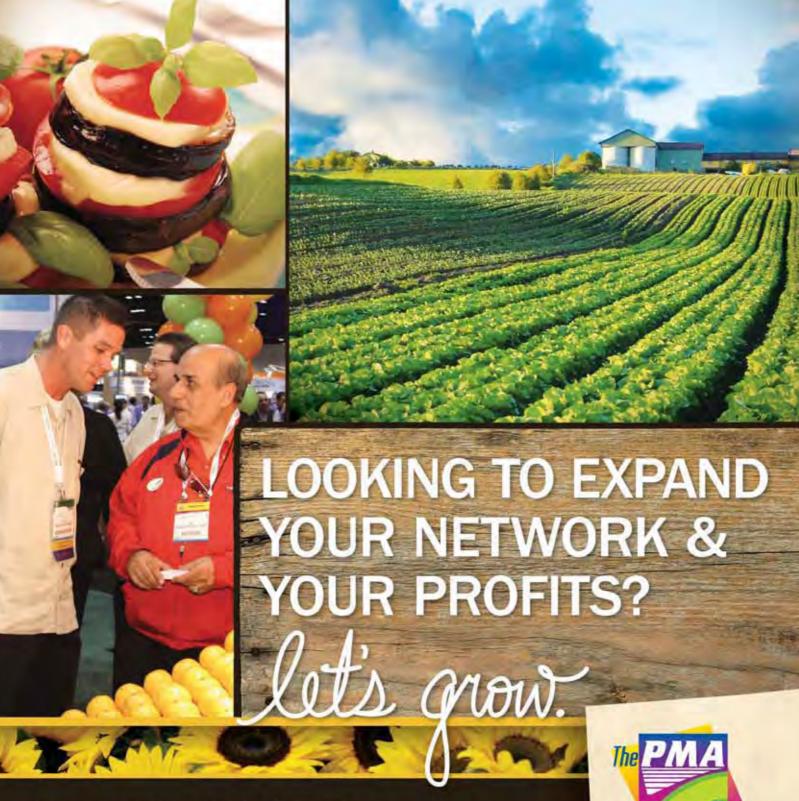
The "locavore" movement is also pushing the industry toward automation because it allows very small, niche distributors to operate with the same efficiency advantages as larger companies, even though they might be dealing with only a few products or very small quantities of many products purchased directly from local farmers.

"I see a lot of consolidation taking place, but I also see a lot of niche companies starting up where they trade in only one or two crops," ProWare's Walborn says. "I talked to a guy recently who goes to Amish farms to buy crops. His whole business is basically one barn."

Ultimately, whether a distributor is a one-man show or a large company with a big repack operation and a fleet of trucks like Primo, warehouse automation will likely yield benefits, as long as the switch to an automated system is carefully planned, fully supported in-house and matches the unique needs of every business.







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Six Ways To Spice Up Garlic Sales

What has long been a shelf staple can experience added sales with creative merchandising and planned promotions.

BY CAROL BAREUTHER, RD

Garlic, nicknamed the "stinking rose" for its potent aroma, is strongly positioned to sweeten sales in the produce department.

It's easy to see why this member of the onion family moved from ethnic specialty to mainstream staple, where it made up 0.5 percent of total produce sales in 2009, according to the Chicago, IL-based market research firm, Perishables Group. Garlic offers a flavorful solution to consumers who want to cut down on sodium. What's more, due to tighter supplies than normal this year, it's also a strong ring at the register.

Marvin Lyons, former produce director at bigg's, a 9-store chain based in Milford, OH, reports, "We see continued growth in the garlic category. There are so many uses for it and so many SKUs now available."

1. BUILD THE CATEGORY AROUND BULK

According to Lyons, "The best-selling form of garlic at bigg's is the whole heads."

Anthony Sharrino, president of Eaton & Eustis Co., in Chelsea, MA, agrees and adds, "Most retail-

The value-added garlic category has exploded with a variety of convenient and time-saving products.

ers buy a 30-pound box and sell the heads by the pound. About 80 percent of sales in the garlic category are whole heads."

Sal Vacca, president of AJ Trucco Inc., in the Bronx, NY, remarks, "What drives sales of whole heads of garlic is that there is a certain feeling of freshness that customers like."

Lyons adds, "We sell the colossal size. That's what customers prefer."

Everyone wants big garlic, but there are regional differences in how big, points out Eric Pompa, sales manager at Vessey & Co. Inc., based in Holtville, CA. "Most chains look for medium-sized garlic such as extra and super jumbo," he says. "Usually it's the independents and some stores in the Northeast that want the bigger colossal and super colossal. It all depends on the price point they want to achieve."

One product that is gaining, although not surpassing, bulk garlic sales is a five-count net sleeve, reveals Jim Provost, president and owner of Kelton, PA-based I Love Produce LLC. "This is generally packed with heads of Chinese garlic because it stacks nicely," he notes. "The variety grown in China is consistently flatter on the top and bottom than those grown in California or Argentina."

Benefits of this pack to the retailer are threefold. "First, it's tough to sticker a bulb of garlic with a PLU number. It comes off easily. This is a UPC package, so it's easier to track the ring. This is especially important now when we're seeing more retailers add a self-checkout option. Secondly, because skins slough off garlic easily, this net bag helps to keep a cleaner display. It also helps to prevent shrink from broken bulbs. Third, it encourages a bigger ring. The consumer who picks up just one bulb may result in less than a 50-cent transaction. This pack typically retails for 99-cents to \$1.99, meaning better movement and a better margin for this item."

Vacca, who also sells bagged whole heads of garlic, says, "We've found it's a popular item with the chain



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stores, but small independent and ethnic stores don't want it this way. They want it bulk."

2. DON'T FORGET VALUE-ADDED

"Our best-selling form of garlic is the peeled whole cloves," reveals Mark Luchak, director of produce and floral at Rice Epicurean Markets, a 5-store chain based in Houston, TX. "It's the convenience."

The garlic category has exploded in terms of number of products available. One segment of significant growth is valueadded. This encompasses everything from chopped and minced garlic in jars to peeled whole cloves as well as purées, pastes and even garlic-flavored dressings, dips and marinades.

Paul Auerbach, president of Maurice A. Auerbach Inc., in South Hackensack, NJ, says, "Value-added garlic products have both bitten into sales of whole garlic as well as provided incremental sales. In general, the increased number of SKUs available has helped category dollars grow."

Louis J. Hymel, director of purchasing and marketing for Spice World Inc., in Orlando, FL, agrees and says, "Any store that does not carry a full line of garlic items is missing sales. Space permitting, they need to offer fresh, peeled, ready-to-use and organic. The garlic category is very profitable for the retailers that offer all varieties." In fact, Spice World is helping retailers heed Hymel's advice with its new release of squeezable garlic. Packed in 9.5- and 20-oz. squeezable bottles, it delivers pure garlic taste without the hassle of peeling and mincing individual garlic cloves.

Profitability lies in the fact that consumers will pick up different garlic products at different times, explains John Duffus, sales and marketing manager for The Garlic Co., in Bakersfield, CA. "Today, most consumers who are in a hurry will use dehydrated garlic from the pantry. Or, if they want more flavor, but fast, they'll reach for the jar of chopped garlic in the refrigerator. Or, if they have a little more time and really want a fresh flavor or are entertaining, then they'll go for the peeled, whole cloves."

One of the most recent innovations in the value-added garlic category is whole, peeled cloves, says Duffus. "Even though the demand started in the foodservice industry 20 years ago, retail customers are just starting to discover this product. It's similar to the learning curve of going from whole heads of lettuce to bagged salads."

The Garlic Company markets whole peeled cloves of garlic in vacuum-sealed pouches that contain a recipe-sized portion. These pouches come in either a 3-oz. gusseted bag that stands up on the shelf or in 1¹/₂-oz. strips of three ¹/₂-oz. packages that can each be merchandized on a clip strip.

3. OFFER ORGANIC

Organic garlic can be a profitable part of the category. I Love Produce's Provost says, "Organic garlic makes up an estimated 10 to 15 percent of category sales. There's good availability all year from all the major growing areas, including California, Mexico, Argentina and China. We offer a full line of organic garlic: bulk, packaged, peeled and processed."

Maurice A. Auerbach offers whole heads of organic garlic in an 8-oz. clamshell pack. "This has been a major growth item for us," says Auerbach. There's not a big price difference between organic and conventional garlic, Auerbach adds. "It's not so much that the price of organic has fallen as it is the total garlic market has risen in price due to a supply shortage."

Because of this, Provost reasons, "A retailer can carry organic garlic in lieu of conventional at a reasonable price point and gain incremental sales. Our organic line, on average, costs 10 to 20 percent more than the conventional."



"The garlic produced and processed by and for I Love Produce in China can be assumed to be of highest quality of any available to the American consumer. The production, handling and processing environments and methods are clean, sanitary, safe and well documented. The product traceability is, at least, equal to others in the market. Based on:

- 1. The system of garlic production used;
- 2. The documentation by internationally recognized certification agencies of safe and sustainable food production and processing methods used;
- 3. My review of records and documents; and
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- Dr. Ron Voss

Professor Emeritus & Extension Vegetable Specialist University of California at Davis, April 2009

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Reader Service # 108

New Products: Black Garlic & Green Garlic

he two latest products in the garlic category are black garlic and green garlic. Black garlic, a product that gets its color from an aged high-heat fermentation process that yields a soft, almost spreadable, texture and a sweeter taste, ranked as the second trendiest item in the ingredient category behind artisanal cheeses in the Washington, DC-based National Restaurant Association's 2010 "What's Hot, What's Not" survey.

Marvin Lyons, former produce director at bigg's, a 9-store chain based in Milford, OH, says, "We brought in some of the black garlic, but there hasn't been much action on it yet. It's definitely a product that requires education."

Education, or a story about black garlic and usage suggestions, is what's on the shelf-stable product packaged six bulbs in a 9-oz. bag offered by I Love Produce, headquartered in Kelton, PA. "The bag can be displayed either flat on the shelf or hanging from a hook for better visibility," says company president and owner, Jim Provost. "It's great, for example, on salads or to flavor sauces."

This past spring, Gilroy, CA-based garlic



grower Christopher Ranch LLC introduced green garlic. Patsy Ross, vice president of marketing, says, "Green garlic is tender, young garlic that begins harvest in April, before the bulb develops. It looks almost like a scallion, but it tastes like garlic, only milder and sweeter. We have a rolling harvest schedule, which means we have availability through October. Previously, it was a very seasonal item you'd mainly find at farmer's markets."

The company packs its green garlic into 3-oz. bags for retail. Ross says, "You can use both the green garlic bulb and stalk in dishes such as stir-fries, soups, sauces, marinades, purées and garnishes."

cados. I always tell produce managers to remember this by thinking of the colors of the Italian flag - white, red and green. This technique can increase sales by making the garlic more visible."

Don't forget to cross-merchandise throughout the store. "At Rice Epicurean Markets, garlic is cross-merchandised next to the olive oil in the grocery aisle and in the bakery next to Italian breads," say Luchak.

The Garlic Co.'s Duffus recommends, "Merchandize garlic in the meat department."

4. DISPLAY PRACTICALLY AND CREATIVELY

At bigg's, there are around 15 SKUS of garlic on display, says Lyons. "We try to merchandise the entire category together next to the onions. However, the peeled product needs refrigeration. It's a lost SKU because of this. We put it by the chopped onions and other cooking vegetables."

At Rice Epicurean Markets, "Peeled garlic cloves are displayed in two locations, at the bagged salad area and in the fresh-cut vegetable area," says Luchak.

Robert Schueller, director of public relations for Melissa's/World Variety Produce, in Los Angeles, CA, suggests displaying peeled garlic next to the fresh herbs.

In addition, Patsy Ross, vice president of marketing for Christopher Ranch LLC, in Gilroy, CA, says, "Peeled garlic merchandizes well next to the mushrooms." As for whole heads and shelf-stable garlic, Ross adds, "Many chains have a garlic display center with all of these products grouped together. This is often next to the onions or potatoes, and it's easy for garlic to get lost among these bigger items. Infuse some color into it; display garlic on the dry rack with other items such as tomatoes and avo-

5. MARKET ON SOURCE

Where it's grown can be a big selling point for some garlic customers. Lyons of bigg's says, "We try to support California. China can produce a nice product, but the country has had bad publicity regarding food safety. Customers are more aware of where their food comes from due to COOL (Country of Origin Labeling) and there's been a push back by some customers on the Chinese product."

Flavor is what drives some customers to California-grown garlic, says Vessey's Pompa. "The pungency of California garlic is 4:1 of the Chinese. It all has to do with the seed variety as well as growing conditions."

Traceability, or lack thereof, is why some

retail customers look for product from other growing regions, says Eaton & Eustis' Sharrino. "There's good traceability from California. Mexico is on par with California and Argentina isn't far behind. But, there's not good traceability from China because there are thousands of small farms."

Concerns over food safety, flavor and traceability aside, the big draw for Chinese garlic in the past decade or more has been price. That's not been the case in the past six months to a year, says I Love Garlic's Provost. "Chinese garlic is at a historically high price, about \$35 for a 30-pound bulk carton, compared to a high of \$55 for California garlic. I expect some retailers will switch to California product because there isn't the big gap in price there used to be."

China, the world's largest garlic producer, experienced a 20 to 30 percent drop-off in its crop that harvested last season. At the same time, weather-related issues decreased crop yields in other major garlic-producing areas of the world over the past year, which has lead to the current high market and record price levels.

"Even though the market is tight," says Auerbach's Auerbach, "it doesn't mean that garlic isn't available or priced high enough to decrease sales. Garlic is a pretty elastic commodity."

6. KEEP PROMOTING

Garlic falls through the promotional cracks of some retailers' ad line-up, points out Provost. "They don't see garlic as a demanddriven category. However, put a 5-ct bag on sale for \$1 and you'll move a lot of volume."

Christopher Ranch's Ross says, "Promoting garlic a few times a year can add to the produce department's bottom line. If garlic is not on a consumer's shopping list, promoting it can get their attention in an appealing way."

"A good time to promote garlic is during seasonal events," says Spice World's Hymel, "for example, at Cinco de Mayo, Thanksgiving, Italian Festivals and Summertime Barbeques. This will lead to incremental sales and profits."

One retail supermarket chain in California promotes garlic at Halloween, tied into a vampire theme, with special orange and black boxes available from Christopher Ranch.

Finally, and just as important as price, says The Garlic Co.'s Duffus, "Use targeted promotions to let customers know a new product is available."

Or, says Sharrino, "Use promotions to tout the health benefits of garlic to customers. For example, everyone's trying to cut back on salt these days. Garlic is a great salt-free flavor substitute."

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Dates And Dried Figs: Not Just For The Holidays

When treated properly, dates and dried figs demonstrate sustained sales year-round.

BY CHUCK GREEN

ates and dried figs, strictly for occasions like Christmas and Thanksgiving? Bah-humbug. "The grocery industry must quit treating these two items as if they're only for the holidays," declares Andrew Stillman, president of Amport Foods, located in Minneapolis, MN. "It's a huge mistake." For one thing, dates and dried figs are the healthiest of all dried fruits, says Stillman. Furthermore, both yield the highest antioxidant, fiber and mineral content and are "fairly reasonably priced," he emphasizes.

"Far and away, dried fruits are more than a holiday item," echoes David Nelson, vice president of merchandising for Yuma, AZbased Bard Valley Medjool Dates. While it sees a spike in sales during the holidays, the company regularly moves dates throughout the year as well. "I think dates are an old commodity and people are accustomed to them," he adds.

There's been a turnaround in the popularity of dried figs over the years, adds Sal Vacca, president of AJ Trucco Inc., based in the Bronx, NY. "Years ago, when January came around, it was difficult to sell dried figs, especially the Greek varieties," says Vacca. Today, almost year-round, the company sells figs from Greece, Turkey, Italy and California, though not in the same quantities it typically sells during Thanksgiving and Christmas.

Still, David Lukens, produce manager and stock supervisor for Akron's West Point Market, based in Akron, OH, doesn't necessarily buy into the notion that shoppers are swayed by the health benefits of dates and dried figs. "We're a store that concentrates more on flavor, and people want flavor."



Dates show the most year-round success when merchandised in the produce department.

SUCCESSFUL YEAR-**ROUND DATE SALES**

Either way, the produce director of a regional Northeastern supermarket chain who wished to remain anonymous, also says his stores successfully sell dates year-round and have experienced considerable success peddling bulk dates in 12- and 15-lb. displayready boxes. "You get your tongs and pull them out and put them in a bag." While he wouldn't categorize it as "earth-shattering business," he notes the stores ring up a couple thousand dollars in sales a week. Yet, he doesn't believe that approach would pack the same punch among smaller stores with limited display space.

In any event, Stillman explains that, typically, grocers remove the two items from their shelves following the holidays based on old studies. "They think they're only used for holiday baking, and that couldn't be more incorrect," he asserts.

COLORS THAT POP

Meanwhile, date specialist, Shaleen Heffernan, formerly of Jamaica, NY-based Agrexco (USA) Ltd., says her resellers would be on the right track by emphasizing colors that pop and contrast with one another when selling dates and dried figs. Further, a supermarket or retail chain should place them in the fresh produce section, preferably next to bananas, off of which the caramel-colored dates play well and draw customers' attention, notes Heffernan. She adds that while bananas are the top-selling fruit and don't require marketing, they're most likely to give date sales a boost.

The unnamed produce director for the Northeast regional supermarket chain agrees with Heffernan. "What's one of the highest penetration items in the produce department? Bananas. So where are you getting your most impressions and footprints and customer counts? In that area, of course," he explains. "Therefore, if stores position dates next to bananas, they're probably reaching every person who enters the produce department," he states. Visibility is key, he insists.

However, Lukens suggests that bananas might be a distraction. "If you see bananas, you'll probably eat bananas. I find other things tend to get lost," he states. Instead, he prefers to cross-merchandise products such as fresh figs with cheese-related items, nuts or other fruits, like berries.

Whatever the case, Heffernan also recommends that gourmet stores with a deli section display dates in a glass jar and sell them per pound, or place them in bins for bulk sales. "They also should consider displaying dates in the candy and nut section, where dried fruits are particularly compatible, she observes.

AJ Trucco's customers usually display dried fruits in the fresh department rather than the grocery section to convey a sense of freshness instead of a dry commodity, explains Vacca.

METHOD TO MEASURE POTENTIAL MARKET

Amport helps hesitant retailers by providing a way to allow them to measure the potential market without committing shelf space, notes Stillman. The company puts out a shipper display - a mix of about 100 units -75 percent of which can be sold as chopped dates, 25 percent pitted, without any signs of the holidays. He explains it's a way for stores to remind customers dates are available February through April, as well as the winter.

Whichever strategy is implemented, cross-merchandising can help stir multiple sales, Stillman adds. For example, when baking with dates, 50 percent of the time a recipe also includes a nut, he points out. He also recommends placing a baking table in the produce section with items such as dates, cherries and various nuts. Additionally, Amport offers takeaway recipe cards at baking tables, with every recipe calling for at least two items. The idea is to create an impulse sale by planting the idea of baking in the minds of shoppers who might have had no intention of it, he says.

Everything helps, especially considering that dried fruit remains a produce item that people tend to forget, Agrexco's Heffernan stresses. One way to overcome that is instore taste tests, she notes, "I believe that people need to taste and sample them. If I could be in 1,000 places at once, I'd do it

While sampling might work, Stillman isn't convinced they would provide retailers an adequate return on their investment. Instead, he suggests building a display, which would encourage year-round consumption.

THINK OUTSIDE THE BOX

Ultimately, however, some retailers might need a bit of a nudge insofar as thinking outside the box, admits Lukens of West Point Market. One idea might be to show customers various ways to use dates or dried figs, such as serving them as appetizers - anything apart from cookies and holiday breads - he explains. "In many instances, the main thing separating consumers from different ideas is a lack of imagination," adds Lukens.

It doesn't require much imagination, but retailers also must pay heed to the importance of proper sanitation, says the produce director of the regional Northeastern supermarket chain. "You have to keep the fruit clean. You're talking about bulk, sticky stuff that has to be presented in a sanitary environment."

Neither is much imagination needed for retailers to give dates their due beyond the holidays, although Stillman says that time of the year is an ideal period in which "to get people thinking about using dates." The

"It's the easiest way to put sweet into your salad. I can't speak for figs, but retailers are crazy not to make a permanent home for the dates."

> Andrew Stillman **Amport Foods**

proof of their year-round viability is, so to speak, in the pudding, he notes, pointing out that, even in the summer, more people use diced dates in cereal, salads and new recipes. "It's the easiest way to put sweet into your salad. I can't speak for figs, but retailers are crazy not to make a permanent home for dates. If they dare to try, they'll see that."



FLORAL WATCH

TRANSITIONS



RIVERDALE FARMS MIAMI, FL Sandra Jahnke is the new director of sales and marketing and will head up the mass-market division. Jahnke's 30-plus years in the industry include her previous post as vice president of mass market operations for Esprit Miami, and GM of Great American Bouquet, the bouquet division of Southern Rainbow.



1-800FLOWERS.COM CARLE PLACE, NY Cindy Hanauer recently was named vice president. An industry veteran, she has 40 years of floral experience, including her previous position as senior director of floral operations with Winn-Dixie Stores Inc., based in Jacksonville, FL. Hanauer travels extensively and works from the company's Jacksonville office.

ANNOUNCEMENTS



2010 FARWEST SHOW Oregon Association of Nurseries, Wilsonville, OR, will host the Farwest Show at the Oregon Convention Center in Portland, August 26-28. With more than 720 exhibitors and 1,184 booth spaces, the event is now in its 38th consecutive year. Seminars begin on the 25th. The Garden Center Pavilion will feature products for the retail gift department.



FOR BAERO Baero North America, St. Louis, MO, received the Best Booth award at the International Floriculture Expo held in Miami, FL, June 22-25. Chosen by show attendees, the award was presented to Lee Rhoades, Baero sales and marketing manager. The mock supermarket display, complete with photo murals, flooring and filled flower buckets, featured Baero's overhead lighting.

Reader Service No. 339



ROOSTER TOPIARY Schubert Nursery, Salinas, CA, introduces a Mossed Ivy Rooster. Standing 6 ½-inches tall, the topiary is the newest member of the wire frame and moss menagerie line, which includes 12 different topiaries.



TAKES TWO TO TANGO KoenPack USA, Miami, FL, introduces Tango Sleeve — a sheet and sleeve in one. Save on labor with this solution to packaged flowers with a sheet and a sleeve with just one product. The sleeve is guaranteed to give bouquets a consistent look when on display. The sleeve is available in multiple materials and colors.



Reader Service No. 338

CHASE AWAY WINTER BLUES K. Van Bourgondien & Sons Inc., Virginia Beach, VA, introduces grow kits for the winter. The assorted case, featuring eight different plant varieties, is designed to go into stores after the holiday season. The ideal indoor plants are paired perfectly with a high quality bright ceramic pot. The plants are guaranteed to grow six to eight weeks after planting.



MAKE IT LAST Betallic LLC, St. Louis, MO, introduces Fast Float™ — time saving 11-inch latex balloons with Hi Float already added to each balloon so they last for days. Each balloon has a self-sealing valve already inserted and a pre-attached ribbon for quick and easy inflation and display. Available in both solid colors and printed designs, Fast Float balloons are packaged in resealable bags with 25 balloons per bag.

Reader Service No. 340

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Floral Watch is a regular feature of Product Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, Produce Business, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

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Visions Of Holiday Profits

Revealing cautiously optimistic attitudes about end-of-the-year sales, industry members agree that advance planning is vital for a smooth and profitable December.

BY MEREDITH AUERBACH

he classic holiday song, "It's beginning to look a lot like Christmas," sums up the thoughts of floral growers and shippers, suppliers and retail floral supermarket executives. While consumers are thinking of days at the beach, visions of trees, wreaths, flowers and gifts dance in the heads of those who must plan, organize and deliver all the individual items that make up holiday displays in supermarkets.

START EARLY

"January is definitely not too early to begin," declares Gerald Davis, owner of Balm, FL-based Davis Farms, a large vertically integrated producer of Norfolk pine personal-sized Christmas trees and potted holly. He continues, "We are, of course, biased toward Christmas because that's really what we do, but it's important to think about your needs for the next season while it is still fresh in your mind and you are not yet overwhelmed by the needs of spring events such as Valentine's Day, Easter and Mother's Day."

"We start with a meeting the first day after Christmas," reports Jon Strom, vice president of floral and lifestyle merchandising for Price Chopper, in Schenectady, NY. "We review every detail - what worked, what didn't and any changes we want to make for the next season."

Others may take a slightly more relaxed view, but no successful grower, supplier or supermarket floral retailer delays too long. Planning in April, pre-books shortly thereafter and finalized orders in June and July make up the schedule that ensures adequate time for enough supplies to start the holiday season in October and make it through to the end of the year.

Val Hinman, director of floral operations for the 23-store Dierbergs, based in Chester-



While poinsettias are a seasonal favorite, holiday colors are expanding this year to include purple and pink, and blue and white for Hanukkah.

field, MO, notes the operation takes place in its central design facility with up to 80 associates. "We are like a traditional, full-service florist in contrast to many other supermarket companies. We design, make and deliver as well as stock the store floral departments where shoppers can select bouquets of flowers as they shop the store. We start thinking about next year as soon as the holidays are over and we have a chance to evaluate what just took place."

UNDERSTAND THE 2010 OUTLOOK

There's a unifying theme among all parts of the industry: 2008 was brutal; 2009 was tentative, but surprisingly strong in the end; the outlook for 2010 is positive, if a bit conservative.

The industry is changing. Traditional free-standing floral shops are struggling as supermarket floral grows. "Supermarket retail floral is now the name of the game," says Kim Tozier, assistant sales manager for Shelton, WA-based Hiawatha Corp., a major supplier of holiday Western greens, wreaths and garlands. "Our sales were down as much as 20 percent in 2008, so we focused on getting new customers and our sales are now up," she says. "Retail supermarkets are doing well, expanding floral in size and specialized product mix and adding locations."

The mood is still somewhat cautious. In the face of slow economic recovery, consumers tend to fall back to what they know and remember as comforting - the familiar traditional holiday season, celebrated largely at home, in shades of green and red

"As a full-service floral department," says Price Chopper's Strom, "we found we were like the canary in the coal mine, feeling the effects as early as the holiday season of 2007; it was clearly something people could cut back on. Starting in 2009, we fully recovered and we expect this year to be very strong. It's our belief that our emphasis on quality pays off. Better product that lasts

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longer can top price."

Peter Smith, vice president of White's Nursery and Greenhouses, based in Chesapeake, VA, says, "New Year's Eve is just a day. Christmas is so big for us because it is a season and generates larger sales over a longer period of time. We expect this year to be better than last although there may be some price resistance. One solution is to reach out to more consumers."

For Hanukkah, which comes early this year on December 1, more departments are showcasing arrangements of blue and white, providing for the needs of more customers. "We have a blue poinsettia that has sold extremely well," Smith adds.

World Class Flowers, in Egg Harbor City, NJ, specializes in fresh-cut flower bunches, ordered by supermarket floral departments and delivered to company distribution centers. The year-round business spikes during holiday periods. Director of marketing for the company, Susan Murdock, comments, "Bringing in flowers from all over the world, we have an ongoing relationship with retailers and have developed programs they can use to help customers get the best use of their floral purchases.

Robert DeBillis, lead designer for World Class Harbors, highlights some consumer trends for the season. "We agree this will be a traditional Christmas, but you will probably notice that the green is brighter. The focus is on a more handmade look and even in floral, a local designation is increasingly important. In addition to the traditional Christmas theme, we have developed bouquets and accents we call Winter Jewels with deep jewel tones, of purple — the No. 1 consumer color choice this year - and strong, dark pink to appeal to more fashionforward customers."

MAKE IT EASY

As supermarkets increasingly take on the role of floral supplier to customers, the quest to streamline the process intensifies. A number of supplier organizations have found ways of producing a distinctive holiday decoration plan more accessible for stores. "Direct store delivery (DSD) is a service we offer to make sales of sensitive holiday plants, such as poinsettias, possible," reports Peter Smith. "We can tightly control temperature and ethylene, two factors that can damage delicate plants if they fall outside of acceptable ranges. Our zone of operation is up the East Coast and no farther than Texas. Our biggest market for sales is Washington, DC. We specialize in poinsettias at this time of year and need to make sure they arrive in prime condition."

Sutton Ferneries, in Miami FL, has a

"For cut flowers, consumers expect seven to 10 days once they take a bunch or arrangement home. Add in four days from farm to DC and you see the challenges of careful ordering and knowledge of the store's needs."

> — Susan Murdock **World Class Flowers**

year-round business in greens. Michele Sutton, owner of the company, started her business calling on retail florists door-to-door selling bulk greens and foliage grown in Florida. It has evolved to importing greens internationally and having nationwide distribution. One of the company's products to help supermarket floral departments is its Ready to Go line, which includes Greens Drop in Bouquet and Add-A-Bloom. Prearranged greens are designed and wrapped so a floral employee or a consumer can simply add flowers to complete the arrangement or bouquet.

ADD THE FINISHING TOUCHES

A retail holiday floral display of just greens, plants and flowers is incomplete. What draws consumer attention is the combination of color and scent, sparkle and glitter, ribbon, ornaments and the dress-up accessories that make presentations unique and generate impulse purchases.

Cindy Lawry, president of Blossom Bucket Inc., in North Lawrence, OH, and her staff, are a major source of custom-designed, themed accessories made of high-quality resin. They design ornaments, photo frames, figurines and inspirational plaques and have them made by contract in China. Lawry says, "Most of our production sells for under \$15, ideal to use as casual gifts for teachers and co-workers. We sell direct to grocery stores and DCs, in-house florists and small gift shop buyers. We actually ran out of some items in 2009; for us it was a very good year and we expect this year to be good as well."

The personal trees from Davis Farms arrive decorated. Davis explains, "We also design and contract with Chinese factories to manufacture the accessory items that dress the trees. Every three or four years we start new with custom designs so the supermarket departments have a fresh look. All of our marketing efforts are directed toward supermarkets. They've been the driver of our brand for over 10 years."

Mini-plants, such as those grown by Micky's Minis/Flora Express, located in Millstadt, IL, are another favorite item of floral consumers. Priced between \$4.99 and \$6.99, these miniature poinsettias, roses, ivy and azaleas are made festive by a happy felt character such as a snowman, reindeer or Santa, which function as other impulse purchases that help increase department revenues over the course of a season. Bill Byland, vice president, says, "The clips can be added as necessary so that overall inventory can be more general."

ATTENTION TO **DETAIL COUNTS**

Similar to produce items, ease of care and sufficient shelf-life are important factors to consumer satisfaction with the holiday floral products purchased at the supermarket.

"For cut flowers," says Murdock of World Class Flowers, "consumers expect seven to 10 days once they take a bunch or arrangement home. Add in four days from farm to DC and you see the challenges of careful ordering and knowledge of the store's needs. We deliver twice a week to maintain freshness and keep a staff of merchandisers on the road to work with individual store departments on skills such as display, temperature control and watering."

Consumer education is another strategy. World Class Flowers has developed online videos that demonstrate four different arrangements that can be made from the same bunch. Davis Farms includes plant tags directing shoppers to their Web site with complete care information. Micky's Minis offers an online Q & A about miniature plant care.

White's Nursery's Smith notes, "We're big enough that our testing program reviews many varieties to get specific traits for future plants, using trials to check plant performance, colors and consistency. We believe that more varied colors will be desirable down the road. It takes many trials to get the right mix of characteristics."

RETAIL PERSPECTIVE



Responding To Obesity

n early February, President Obama's establishment of a task force on childhood obesity with the mission of developing a coordinated Federal response also included identifying non-governmental actions that could be taken to solve the problem. Soon after, the United Fresh Produce Association announced the launching of "A Salad Bar in Every School" campaign, designed to bring fruit and vegetable salad bars across the nation to combat one of the greatest health threats to children.

According to Dr. Lorelei DiSogra, United's vice president of nutrition and health, "Research has shown that children significantly increase consumption of fruits and vegetables when given a variety of choices, trying new items and incorporating variety into their diets." This, in turn, can lead to shaping behavior outside of school,

providing a platform for a lifetime of healthful snack and meal choices, says DiSogra.

The United campaign is based on the personal involvement and charitable commitment of produce growers, distributors and marketers to raise private funds to donate salad bars to schools to serve as demonstration models for increasing children's fresh fruit and vegetable consumption. This then becomes the method to assist school administrators, professional groups and community supporters working with state and federal officials to bring salad bars to the remaining schools.

Almost simultaneously, Chiquita and its Fresh Express subsidiary announced support, and in May, new salad bars were dedicated in three Cincinnati schools.

At approximately the same time, the White House Task Force delivered a report titled, Solving the Problem of Childhood Obesity Within a Generation, to the President. Included in the nearly 100-page report is a recommendation lawmakers provide "economic incentives to increase production of healthy foods such as fruits and vegetables," increasing the supply 70 percent by 2020.

Quick to reply was Produce Marketing Association president and CEO, Bryan Silbermann, raising the issue of economic incentives with USDA officials, "We made it very clear the produce industry is not in favor of price supports of any kind for the production of fruits and vegetables." In this day of an ever-increasing number of groups looking for financial support in one form or another from the federal government, this is, indeed, a refreshing position.

However, take a closer look at the entire document, particularly Section IV, and the implications are a must for all involved to review in order to be aware of the potential for government regulation. Among the recommendations are improving physical access to healthful food. Currently, 23.5 million people living in lowincome areas are more than a mile from the nearest supermarket. One of the stories being circulated is the requirement of supermarket chains to be built within these areas. Although there are numerous reasons why operators ignore these areas, perhaps the expanding Aldi's, Save-a-Lot, and the like may be alternative choices. However, their current fruit and vegetable offerings don't fulfill the objectives of the report.

The last sentence in the introductory section on Food Pricing states, "The potential influence of food prices on consumption necessitates consideration of the extent to which changes in farm, tax and subsidy policy might affect consumption patterns." This is just another way of questioning whether the free market will be allowed to continue as we know it.

Under the section on Farm Policy is an expanded paragraph relat-

ed to the previous comments by Bryan Silbermann. Unfortunately, the task force members appear to be completely unaware to how well producers have been able to adjust to long-term changes in demand.

Although the largest focus of the report deals with food consumption, there is extensive coverage related to physical activity. Several decades earlier, Chiquita embarked on a program supporting soccer. Since then, the sport has enjoyed phenomenal growth among younger children.

If one accepts the premise that both exercise and nutrition are integral to reducing obesity, the problem may be overcome only by involvement by all segments of the business community using a variety of methods. In some instances, funding may be from indirect

consumer participation should retailers and suppliers unite in a common cause.

Promotional allowances come in many forms and in numerous ways of implementation. Some packaged product companies include symbols on the containers for which they contribute funds to charities based on redemption. Others provide allowances based on the amount of product sold. Some retailers already have programs giving money to schools based on the amount of cash register receipts customers turn in. Could loyalty card software programs be coded accordingly to provide salad bar or exercise program fund savings reducing all the unnecessary paperwork? And how many seniors would object to a portion of Senior Shopping Day discounts going to this cause?

Now is the opportunity for bringing the numerous private industry stakeholders together, developing an inclusive program reversing obesity lifestyle trends, reducing healthcare expenses, and reshaping the food industry with indirect benefits for the fruit and vegetable distribution chain.



GlobalGAP Summit 2010 In London — Launch of Version 4

n a stage in Paris in 1999, 17 retailers shared their vision to introduce Good Agricultural Practices certification in primary production. Several years later, the partnership with suppliers turned out to be the successful model for GAP certification in 100 countries. Retailer and foodservice membership increased year after year, with more than 37 retailer organizations participating in this harmonization concept.

During the past 10 years, producers of all sizes have been involved in the revision process that made GlobalGAP the most widely used and trusted certification system for good agricultural practices.

Industry and stakeholder participation has been a prerequisite to extend the scope of the successful concept to livestock, aquaculture and animal feedstuffs. GlobalGAP Board members will share their vision for the future of GlobalGAP from safe to sustainable production and learn more about achieving the goal of one auditor through the farm gate, public private partnerships, strategic alliances with consumer labels and the inclusion of small- and mediumsized farms around the world.

During the SUMMIT2010 in London, the GlobalGAP Sector Committee for Fruit and Vegetables will present Version 4 as the most widely consulted, innovative and science-based version yet. This version has been subjected to widescale testing from Asia to Africa, and from Europe to North America, with local adaptation through the network of National Technical

Working Groups, many of whom will be represented at the Summit and who are working under the principal of Think Global, Act Local.

The focus on linking local, small- and medium-sized family farmers to national and international supply chains in a step-wise approach is not only relevant for developing regions such as Africa. Buying seasonal products from local farming communities is also a response to consumer demand in developed countries and a means to assure long-term supply and supporting the local economy. A session at the Summit provides insights and firsthand experiences learned from an initiative in North America, linking them to an example in South Africa to explore common success factors.

One session will look into supplier partnership and information networking via GlobalGAP numbers and bookmarking. Current produce trading practices do not always allow a real time check of certificates. Retail and foodservice companies that are committed to maximizing their sourcing from GlobalGAP certified producers have asked their suppliers to label products with the GlobalGAP Number (GGN) and use the GlobalGAP Database to manage producers and their certificates online and avoid the handling of paper certificates.

Registration based on GS1 standards and GlobalGAP Certification form the basis for transparency and trust within the supply chain. In addition, a number of selected supply chains explore opportunities for sharing additional information and documentation to improve quality assurance and consumer communication. Speakers and panelists share their project experiences such as complementary documentation and traceability tools.

In Europe, the task of managing the risks of pesticide application and communicating that with buyers bares the potential of diverging retail standards. A session provides an example on how

> a program can be designed that provides additional risk management without further duplication as it is based on GlobalGAP.

> Certification integrity has always been one of the key supporting pillars and a major priority for GlobalGAP. In recent years, GlobalGAP addressed this by introducing a holistic approach for continuous improvement. Speakers and panelists will share important experiences and present the International Food Standard (IFS) as a case, where the competence of the GlobalGAP Integrity Program is being used to cooperate across certification system own-

> After five years of consultation and trials in five continents, the voluntary GlobalGAP Risk Assessment on Social Practices is now ready for implementation, as of June, 2010. Speakers and panelists share their trial experience,

implementation vision and strategies to build necessary infrastructure like National Interpretation Guidelines and local auditor competence. Everything will be discussed in the context of reducing duplication and cost via strategic alliances and one-auditor through the farm gate policy.

One session will outline how the NTWG in India establishes the right structures necessary to move the Indian farming sector forward toward a harmonized and cost efficient farm assurance system based on GS1 numbering. In another market, the first GlobalGAP benchmarked certificates have been issued while producers and Certification Bodies gear up to grow GlobalGAP equivalent supply: ChinaGAP.

In another topic, GlobalGAP has assisted a research project on credibility of food production standards conducted by Göttingen University. Results provide insight in the effect of standard system requirements and communication patterns with respect to credibility of private (and public) standards. Panelists discuss implications for the future development of private and public standards and benchmarking processes

During the past 10 years, producers of all sizes have been involved in the revision process that made GlobalGAP the most widely used and trusted certification system for good agricultral practices.

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I Love Produce LLC			
I Love Produce LLC	91	108	610-869-4664610-869-571

COMPANY	PAGE #	RS#	PHONE	FAX
I Love Produce LLC	127	107	610-869-4664	610-869-5711
Juniors Produce, Inc.	79	18	718-991-7300	718-991-0989
S. Katzman Produce	75	73	718-991-4700	718-589-3655
Kern Ridge Growers, LLC	93	115	661-854-3156	661-854-2832
Keystone Fruit Marketing, Inc	92	81	717-597-2112	717-597-4096
Krisp-Pak Sales Corp				
LBD Produce, Inc	70	90	718-991-2100	718-991-6494
M & R Tomato Distributors	74	77	718-589-8500	718-893-2643
Mann Packing Company, Inc	9	2	800-884-6266	831-422-5171
Mann Packing Company, Inc	36-37	3	800-884-6266	831-422-5171
J. Marchini & Son / LeGrand	117	14	559-665-9710	559-665-9714
J. Marchini & Son / LeGrand	91	13	559-665-9710	559-665-9714
Melissa's/World Variety Produce, Inc	92	110	800-468-7111	323-588-7841
MIXTEC Group	24	42	626-440-7077	626-440-1557
Mucci International Marketing, Inc	92	82	519-326-8881	519-326-5917
Nathel & Nathel				
New York Apple Association, Inc	53	43	585-924-2171	585-924-1629
New York Produce Trade Association				
New York Produce Show & Conference				
Niagara Fresh Fruit Co	92	53	716-778-7631	716-778-8768
Pacific Tomato Growers				
Peri & Sons Farms	24	34	775-463-4444	775-463-4028
Jerry Porricelli Produce	109	72	718-893-6000	718-893-0158
Produce for Better Health Foundation	40-42	9	302-235-2329	302-235-5555
The Produce Marketing Association	25	15	302-738-7100	302-731-2409
The Produce Marketing Association	123	16	302-738-7100	302-731-2409
Produce Pro Software				
Red Blossom Farms, Inc				
J. Renella Produce, Inc	74	47	718-991-4210	718-991-4210
River Point Farms				
D.M. Rothman Company, Inc				
Rubin Bros. Produce Corp				
SAGARPA - Embassy of Mexico				
Sambrailo Packaging				
SIAL Paris				
Silver Creek Software	122	22	208-388-4555	208-322-3510
Simonian Fruit Co.				
Solid Software Solutions, LLC				
South Wind Farms				
Spice World, Inc.				
Spice World, Inc.				
Sunview Marketing International				
Tanimura & Antle, Inc				
Target Interstate Systems, Inc				
Tennessee Dept. of Agriculture				
Top Banana				
Top Katz, LLC				
Torrey Farms, Inc				
Trinity Fruit Sales				
Trinity Fruit Sales				
A.J. Trucco, Inc				
U.S. Apple Association	47			
United Fresh Produce Association				
United Fresh Produce Association Vision Import Group				

Blast Past Past



espite the fact that Richard Cochran was an electrical engineer by trade and was employed with U.S. Steel, the largest fully integrated steel producer in the United States, it was simply not meant to be. In 1975, he left his original career path and joined his father, Robert (Tom) Cochran (pictured above, far left), in the family business, Robt. T. Cochran & Co. Inc. "I didn't think I would end up in the business," he says, "but my dad offered me more money than I was making at the time, and he told me if I didn't want the business he was going to sell it." From that point forward, Robt. T. Cochran would grow to be one of the oldest companies in the history of the produce business that is still family-owned and operated.

His father's company, which originated on the Washington Street Market, is now a part of Hunts Point in the Bronx and sells a full line of fruit, vegetables, potatoes, onions and tropicals to retailers and purveyors. It was Richard's great grandfather who started the business in the early 1890s, when he took it upon himself to transport peaches by wagon into the city. This same sense of business savvy and determination has lead to the company's

continued success.

Thanks to the company's long and successful run in the produce industry, Richard has a wealth of collectibles, ranging from file cabinets and old letters from the turn of the 20th Century to black and white photos, including the one shown above, which was taken in the 1950s at the New York Fruit Auction. In it, Richard's father, Robert (Tom) Cochran, stands with Cyril Chase, an export manager, to his right, and Dan Feller, far right, who was a buyer at the auction. "Dan bought for the out-oftown guys," says Richard. "The fruit auction was behind the old market and it was where all the brokers went to actually get their hands on the fruit."

Richard had the chance to work with his father for nine years before he retired. Now, he is passing the business knowledge along to his own son, Michael, who is the fifth generation involved in the family business.

[Editor's note: At press time, we were unable to identify the man in the picture standing second from the right, with the documents in his hands. If any our of readers know who this is, please write to us.]

The Blast from the Past is a regular feature of PRODUCE BUSINESS. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



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